

# SREELEATHERS LIMITED

CIN: L67190WB1991PLC050656  
6, Tottee Lane, Kolkata-700 016  
Phone No.:2286-1571, Fax: 2217-6468  
Email:sreeleathers@sreeleathers.com  
Website: www.sreeleathers.com

Date: 05-09-2020

To:-

<b>Department of Corporate Services</b> Bombay Stock Exchange Limited, P J Towers, 1st Floor Dalal Street, Fort Mumbai- 400 001 <b>(BSE Scrip Code: 535601)</b>	<b>National Stock Exchange of India</b> Listing Department Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 <b>(NSE Trading Symbol: SREEL)</b>	<b>The Calcutta Stock Exchange Association Limited,</b> 7, Lyons Range, Kolkata – 700001 <b>(CSE Scrip Code: 13328)</b>
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Dear Sir/Madam,

Sub : Annual Report and AGM Notice for 29th Annual General Meeting of the members of the Company to be held on 29.09.2020.

Pursuant to Regulation 34(1) of SEBI (LOOR) Regulation, 2015 enclosed is a copy of the Annual Report being Sent to the Shareholders along with the Notice of the Annual General Meeting of the Company.

Thanking you,

Yours truly,  
For Sreeleathers Ltd.,



Company Secretary



Encl: a/s

# SREELEATHERS LIMITED

Regd. Office : 6, TOTTEE LANE, KOLKATA-700 016

Phone : (033) 2286-1571, Fax : (033) 2217-6468, Email : sreeleathers@sreeleathers.com

Website : www.sreeleathers.com, CIN : L67190WB1991PLC050656

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## NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of the Company will be held on Tuesday, 29th September 2020 at 10.30 a.m., Indian Standard Time ("IST"), through Video Conferencing / Other Audio Visual Means ("VC/OAVM") facility to transact the following businesses:-

Ordinary Businesses:

### Item No. 1 : Adoption of Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and the Statement of the Profit and Loss and the Cash Flow Statement for the year ended 31st March, 2020 alongwith the Directors' Report & Auditors' Report.

### Item No. 2 : To appoint a Director in place of Ms. Rochita Dey (DIN: 02947831) who retires by rotation

To appoint a Director in place of Ms. Rochita Dey (DIN:02947831) who retires by rotation and being eligible, offers herself for re-appointment.

By Order of the Board,  
For **Sreeleathers Limited**

(Bijoy Kumar Roy)  
Company Secretary  
Membership No. ACS5702

Place : Kolkata  
Date: 12th August, 2020

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## IMPORTANT NOTES:

### (Forming part of the Notice convening the said 29th Annual General Meeting)

#### A. General instructions for accessing and participating in the 29th AGM through VC/OAVM Facility and voting through electronic means including remote e-voting

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The 29th AGM of the Company will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the 29th AGM through VC/OAVM.
2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 29th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM"). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance / Clarification dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e- voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

4. The Members can join the 29th AGM of the Company in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 29th AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 29th AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the 29th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 29th AGM. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through E-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice of AGM alongwith Annual Report for the financial year, 2019-20 is being sent only through electronic mode to those whose email addresses are registered with the company/depositories. Members may note that the Notice and Annual Report has been uploaded on the website of the Company at [www.sreeleathers.com](http://www.sreeleathers.com). The Notice as well as the Annual Report 2019-20 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), National Stock Exchange at [www.nseindia.com](http://www.nseindia.com) and Calcutta Stock Exchange at [www.cse-india.com](http://www.cse-india.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. Members are requested to send their queries mentioning their names and folio numbers/demat account numbers at least ten days in advance to the Company at [sreeleathersequity@gmail.com](mailto:sreeleathersequity@gmail.com) to send clarifications in their respective emails after the AGM.

## **B. GUIDELINES FOR MEMBERS**

- i. The register of Members and the Share Transfer Books of the company will remain closed from 23rd September, 2020 to 29th September 2020 (both days inclusive).
- ii. The Registrar and Transfer activity of shares held in physical and demat form continue to be carried out by our Registrars, M/s Niche Technologies Pvt. Ltd., 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700 017, West Bengal.
- iii. Relevant document referred to in the Notice shall be made available for inspection by the members of the Company only through electronic mode without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at [sreeleathersequity@gmail.com](mailto:sreeleathersequity@gmail.com) from their registered email addresses mentioning their names and folio numbers/demat account numbers.
- iv. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection only through electronic mode.
- v. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to the depository participants with whom they are maintaining their Demat Accounts. Members holding shares in physical forms are requested to advise any change in their address or bank mandates along with self-attested copy of address proof i.e. Aadhar Card/ Electricity Bill/ Telephone Bill/ Driving Licence/Passport/Bank Passbook immediately to the Company or M/s Niche Technologies Pvt. Ltd.
- vi. Members may avail the facility of dematerialization by opening Demat account with depository participant of either National Security Depository Ltd. or Central Depository Services (India) Ltd and get their equity share certificate dematerialized. The ISIN No. of the Company is INE099F01013.

- vii. A statement giving the details of the Director seeking reappointment under Item No. 2 of the accompanying Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) and Secretarial Standard-2 issued by The Institute of Company Secretaries of India, is as under:

Particulars	Item No. 2
Name of Director	Ms. Rochita Dey
Date of Birth	22-09-1991
Date of appointment	26.12.2018
Qualification	MBA (Finance) from Syracuse University, USA
Expertise in specific functional area	Footwear & Accessories
Directorship held in other listed entities as on 31.3.2020	NIL
Chairman/Member of Committees of the Board of the listed entities on which she is a Director as on 31.3.2020	Nil
Shareholding in the Company as on 31.3.2020	159246
Inter se relationship between Directors	Daughter of Mr. Satyabrata Dey, Managing Director and Mrs. Shipra Dey, Director

- viii. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of name will be entitled to vote.
- ix. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details to the ‘Share Department’ of the Company through electronic mode at sreeleathersequity@gmail.com or to M/s. Niche Technologies Pvt. Limited, the Registrar and Share Transfer Agent (RTA) of the Company. In this regard, the Members are requested to submit through electronic mode a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including joint holders). Members are also requested to submit copy of cancelled cheque bearing the name of the sole / first holder. In case of inability to provide the cancelled cheque, a copy of Bank Passbook / Statement of the sole / first holder duly attested by the Bank, not being a date earlier than one month may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant(s).
- x. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter it was clarified vide Circular no. MRD/ DOP/Cir-05/2009 dated May 20, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN Card to the Company/Registrars and Share Transfer Agent for registration of such transfer of shares. Hence, Members holding shares in the electronic form are requested to submit their PANs to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the Company/Registrars and Share Transfer Agents, Niche Technologies Pvt. Ltd.
- xi. SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of Listing Regulations pursuant to which from 1st April, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.
- xii. Members who have not registered /updated their e-mail addresses with Niche Technologies Pvt. Ltd., if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communication from the company including Annual Reports, Notices, Circulars, etc., electronically.

# Sreeleathers Limited

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- xiii. Members holding shares in physical mode are advised to make nomination in respect of their share holding in the company. Members holding shares in electronic mode are advised to contact their respective DPs for availing the nomination facility.
- xiv. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
- xv. Consequent upon amendment of erstwhile Section 205A of the Companies Act, 1956 and introduction of Section 205C of the Companies (Amendment) Act, 1999 and introduction of Section 124 and 125 of the Companies Act, 2013, the amount of dividend for the subsequent years remaining unclaimed/unpaid for a period of seven years or more from the date they first become due for payment have been transferred to the Investor Education and Protection Fund (IEPF) established by the Government of India.
- xvi. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016 ("IEPF Rules") as amended from time to time, the equity shares in respect of which dividend remains unclaimed/unpaid for the last seven years or more consecutive years, are required to be transferred to the Demat Account of the IEPF Authority. In this regard, the Company had informed the Members concerned through letter(s) and subsequently through publications of Notice(s) advising them to claim their unclaimed/unpaid dividend from the Company within the stipulated time period. The Company has also uploaded on its website i.e. [www.sreeleathers.com](http://www.sreeleathers.com), the complete list of Members along with relevant details pertaining to unclaimed/unpaid dividend for seven consecutive years or more and the corresponding shares liable to be transferred to the Demat Account of the IEPF Authority.
- xvii. Members are being informed that once the unclaimed/unpaid dividend is transferred to the account of IEPF and shares are transferred to the Demat Account of IEPF Authority by the Company, no claim shall remain against the Company in respect of such dividend/shares. The eligible members are entitled to claim such unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by following the procedure prescribed under the IEPF Rules, as amended or restated from time to time. Attention of the members is drawn to the provisions of section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) years or more.
- In accordance with the aforesaid provision of the Act read with the investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2012-13 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the web-<https://sreeleathers.co.in/transfer-to-investor-protection-fund/> to ascertain details of shares liable for transfer in the name of IEPF Authority.
- xviii. During the financial year ended 31.03.2020, the Company has deposited a sum of Rs. 55212 In to the specified bank account of IEPF, Government of India, towards unclaimed/unpaid dividend for the financial year 31st March, 2012.
- xix. The due dates for transfer of the unclaimed/unpaid dividend for the subsequent years to IEPF are as follows :-

Dividend for the Financial Year	Due date for transfer to IEPF
2012-13	20.10.2020
2013-14	10.10.2021

- xx. Members are informed that once the unclaimed/unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat account of the IEPF Authority, no claim shall lie against the Company in respect of such dividend/share. The eligible Members are entitled to claim such unclaimed/ unpaid dividend and shares including benefits, if any accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed along with requisite documents at the Registered office of the company for verification of their claim.

Non-resident Indian members are requested to inform Niche Technologies Pvt. Ltd./respective DPs, immediately of:

- a. Change in their residential status on return to India for permanent settlement.

- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- xxi. Members are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share certificates, etc. are not received from their DPs by the RTA within a period of 15 days from the date of generation of the Demat Request Number (DRN) for dematerialization, such DRN will be treated as rejected / cancelled. This step is taken on the advice of NSDL and CDSL, so that no demat request remains pending beyond a period of 21 days from its lodgement. Upon rejection / cancellation of the DRN, a fresh DRF with new DRN has to be forwarded along with the Share Certificates by the DPs to the RTA. This note is only to caution Members that they should ensure that their DPs do not delay in sending the DRF and Share Certificates to the RTA after generating the DRN.
- xxii. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the company as on the cut- off date of 22nd September, 2020. A person who is not a member as on cut - off date should treat this notice for information purpose only.
- xxiii. The shareholders shall have one vote per equity share held by them as on the cut-off date of 22nd September, 2020 . The facility of e-voting would be provided once for every folio/client ID., irrespective of the number of joint holders.
- xxiv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on 14th August, 2020, in the Register of Members or in the Register of Beneficial Owners maintained by the depositories.
- xxv. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2020 and not casting their vote electronically, may only cast their vote at the Annual General Meeting through e-voting facility provided specifically for the AGM as per procedure outlined in this notice.
- xxvi. Investors who become members of the Company subsequent to the dispatch of the Notice/Email and holds the shares as on the voting eligibility cut-off date i.e. 22nd September, 2020 are requested to send the written/email communication to the Company at sreeleathersequity@gmail.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e- voting. The Management/RTA will do their best to accommodate and execute such requests so that the Shareholder can participate in the e-voting which commences on Saturday, the 26th September, 2020 and ends on Monday, 28th September, 2020.
- xxvii. Mr. Pawan Kumar Agarwal, (Practicing Chartered Accountant) (Membership No. FCA 064093) E-Mail : pvnassociates08@gmail.com has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting/polling at the AGM in a fair and transparent manner. The Scrutinizer will submit his consolidated Report after the conclusion of AGM on the total votes cast in favour or against the resolutions, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the results of the voting on the day of AGM or the next day of the AGM after it is concluded or within such time as specified under the Companies Act, 2013 after also taking into account the E- votes cast on the resolutions by the members who participate in the AGM through VC and/or OAVM mode.
- xxviii. The Results declared along with the report of the scrutinizer shall be placed on the website of the Company [www.sreeleathers.com](http://www.sreeleathers.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the company's shares are listed viz. NSE Ltd., BSE Ltd., and The Calcutta Stock Exchange Ltd.

## **C. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 26th September, 2020 at 10.00 a.m and ends on 28th September, 2020 at 5.p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Bank Account Number	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio. <ul style="list-style-type: none"> <li>• Please Enter the DOB or Bank Account Number in order to Login.</li> <li>• If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (v).</li> </ul>

After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Sreeleathers Ltd. on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [sreeleathersequity@gmail.com/nichetechpl@nichetechpl.com](mailto:sreeleathersequity@gmail.com/nichetechpl@nichetechpl.com).
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [sreeleathersequity@gmail.com/nichetechpl@nichetechpl.com](mailto:sreeleathersequity@gmail.com/nichetechpl@nichetechpl.com).
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 29th AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the 29thAGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [sreeleathersequity@gmail.com](mailto:sreeleathersequity@gmail.com). Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. 10 days in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [sreeleathersequity@gmail.com](mailto:sreeleathersequity@gmail.com). These queries will be replied to by the company suitably by email after AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 29TH AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the 29thAGM is same as the instructions mentioned above for Remote e-voting.



2. Only those shareholders, who are present in the 29th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 29th AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the 29th AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the 29th AGM. However, they will not be eligible to vote at the 29th AGM.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [pvnassociates08@gmail.com](mailto:pvnassociates08@gmail.com) and [sreeleathersequity@gmail.com](mailto:sreeleathersequity@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

By Order of the Board,  
For **Sreeleathers Limited**

(Bijoy Kumar Roy)  
Company Secretary  
Membership No. ACS5702

Place : Kolkata  
Date: 12th August, 2020

# **Sreeleathers Limited**

**29th ANNUAL REPORT  
2019-2020**

## BOARD OF DIRECTORS

Mr. Satyabrata Dey	-	Managing Director
Mrs. Shipra Dey	-	Director
Ms. Rochita Dey	-	Director
Mr. Anil Chandra Bera	-	Independent Director
Smt. Sadhana Adhikary	-	Independent Director
Mr. Kalidas Sarkar	-	Independent Director

## AUDIT COMMITTEE MEMBERS

Mr. Kalidas Sarkar	-	Independent Director
Mr. Anil Chandra Bera	-	Independent Director
Mrs. Sadhana Adhikary	-	Independent Director

## NOMINATION & REMUNERATION COMMITTEE

Mr. Kalidas Sarkar	-	Independent Director
Mrs. Sadhana Adhikary	-	Independent Director
Mr. Anil Chandra Bera	-	Independent Director

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Anil Chandra Bera	-	Independent Director
Mr. K. D. Sarkar	-	Independent Director
Mrs. Sadhana Adhikary	-	Independent Director

## CHIEF FINANCIAL OFFICER

Mr. Sujay Bhattacharjee

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Bijoy Kumar Roy

## AUDITORS

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

## BANKERS

HDFC Bank Ltd.  
Bank of India  
State Bank of India  
Federal Bank  
IDBI Bank  
Allahabad Bank

## REGD. OFFICE

6, Tottee Lane, Kolkata – 700 016 (West Bengal)  
Phone : +91 033 2286 1571  
Fax : +91 033 2217 6468  
E-mail : sreeleathers@sreeleathers.com  
Web : www.sreeleathers.com  
CIN : L67190WB1991PLC050656

## REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited  
3A, Auckland Place, 7th Floor, Room No.7A & 7B  
Kolkata – 700 017  
E-mail : nichetechpl@nichetechpl.com  
Phone : +91 033 2234 3576

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## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 29th Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2020.

## FINANCIAL RESULTS

(₹ In Lacs)

Particulars	March 31, 2020	March 31, 2019
Receipt from Operations	17304.83	16765.89
Other Income	32.00	43.70
<b>Profit before exceptional items, depreciation &amp; taxes</b>	<b>4009.95</b>	<b>3793.28</b>
Less:: Depreciation	100.52	117.82
<b>Operating Profit Before Exceptional Item &amp; Taxes</b>	<b>3909.43</b>	<b>3675.46</b>
Add: Exceptional Income	-	745.01
<b>Profit Before Tax</b>	<b>3909.43</b>	<b>4420.47</b>
Less: Provision for:		
(a) Income Tax	1049.66	1334.62
(b) Deferred Tax	(16.26)	(22.26)
<b>Profit after tax</b>	<b>2876.03</b>	<b>3108.11</b>
Other Comprehensive Income (net of tax)	829.37	611.42
<b>Total Comprehensive Income for the period</b>	<b>3705.40</b>	<b>3719.53</b>

The company does not propose to transfer any amount to the General Reserves. An amount of Rs. 13584.44 lacs is proposed to be retained in the statement of Profit & Loss.

## OPERATIONAL REVIEW

Your Company reported a top-line growth of 3.21 % over the Previous Year. The Gross Revenue from operations stood at Rs. 17304.83 lacs compared to Rs.16765.89 lacs in the Previous Year. The Operating Profit before tax stood at Rs. 3909.43 lacs as against Rs.3675.46 lacs in the Previous Year. The Net Profit for the year stood at Rs.2876.03 lacs against Rs. 3108.11 lacs reported in the Previous Year.

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

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

## DIVIDEND

Your Directors do not recommend any dividend for the year under review.

## SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2020 stands at Rs. 2,600 lacs divided into 26,000,000 equity shares of Rs. 10/- each. The paid up equity capital as on March 31, 2020 was Rs.2,515.50 lacs. During the year under review, the company has not issued any shares with differential voting rights nor granted stock options nor sweat equity during the year under review. As on March 31, 2020, none of the Directors of the company hold instruments convertible into equity shares of the Company.

## FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the financial

Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020.

The company continues to focus on judicious management of its working capital, receivables and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

## DEPOSITS

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In compliance with the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, the Company has deposited a sum of Rs. 55212/- into the specified bank account of the IEPF, Government of India, towards unclaimed or unpaid dividend amount for the financial year ended March 31, 2012.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

## CONSERVATION OF ENERGY

- a) Company ensures that the operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

- d) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

## TECHNOLOGY ABSORPTION

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

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

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report other than the impact of COVID-19 on the business operations of the Company detailed in this Report as well as Notes to the Financial Statements of the Company.

## IMPACT OF GLOBAL CRISIS: COVID-19

In March 2020, the World Health Organisation declared COVID-19 a Global Pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020, which has impacted normal business operation of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these financial statements, to determine the impact on the company's revenue from operations foreseeable future. The Company has resumed its business activities. However, the Company does not anticipate any challenges in its ability to continue as going concern. As the situation is unprecedented while the lockdown is gradually lifting, the company is yet closely monitoring the situation as it evolves in the future.

## FOREIGN EXCHANGE EARNINGS AND OUT-GO

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

## INDUSTRIAL RELATIONS

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

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

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

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

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

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

## DIRECTORS

There is change in the composition of the Board of Directors during the period under review.

Mr. Satyabrata Dey (DIN: 00569965) was reappointed as Managing Director of the Company for a period of five years w.e.f. 30.09.2019 at the 28th Annual General Meeting of the Company held on 24.09.2019.

Ms. Rochita Dey (DIN: 02947831) was appointed as whole time Director of the Company for a period of five years w.e.f. 24.09.2019 at the 28th Annual General Meeting of the Company held on 24.09.2019. She will be liable to retire by rotation.

Mrs. Shipra Dey (DIN: 00570021) was appointed as additional director w.e.f 26.04.2019 and subsequently she was appointed as whole time Director of the Company for a period of five years w.e.f. 24.09.2019 at the 28th Annual General Meeting of the Company held on 24.09.2019. She will be liable to retire by rotation.

During the year Mrs. Sadhana Adhikary (DIN : 02974882) was re- appointed as Non-Executive Independent Director, not being liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 25.9.2019, not liable to retire by rotation at the 28th Annual General Meeting of the Company held on 24.09.2019.

Mrs. Sadhana Adhikary has given declarations that she meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and there is no change in her status of independence. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 has been issued.

## **DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

Ms. Rochita Dey (DIN: 02947831), Whole-time Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment. Your Board recommends the reappointment of Ms. Rochita Dey as a Director of the Company, liable to retire by rotation.

Necessary Resolution(s) alongwith disclosure(s) / information(s) in respect of the director seeking appointment / re-appointment at the ensuing AGM is being given in the Notice convening the ensuing AGM.

## **KEY MANAGERIAL PERSONNEL**

As on the date of this report Mr. Satyabrata Dey (DIN: 00569965), Managing Director, Mrs. Shipra Dey (DIN:00570021), wholetime director, Ms. Rochita Dey (DIN: 02947831) wholetime director, Mr. Sujay Bhattacharjee, Chief Financial Officer and Mr. Bijoy Kumar Roy , Company Secretary and Compliance Officer are the key managerial personnel (KMP) of your company.

## **DECLARATION BY INDEPENDENT DIRECTORS**

Mr. Anil Chandra Bera, Mr. Kalidas Sarkar and Smt. Sadhana Adhikary, Independent Directors of your Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

## **BOARD EVALUATION**

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

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

## **REMUNERATION POLICY**

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

## MEETINGS

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with Indian Accounting Standard (IND AS) under the historical cost convention on accrual basis (except for certain financial instrument). The Ind AS are prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Effective April 2017, the Company has adopted all the Ind AS standards and the adaptation was carried out in accordance with applicable transition guidance. Accounting Policies have been consistently applied.

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

- i) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2020 and of the profit or loss of the Company for the year ended on that day.
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors had prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

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

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

## CODE OF CONDUCT

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



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

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

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

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company at <http://www.sreeleathers.com/Investor/Policy/WBP.pdf>

## **PREVENTION OF INSIDER TRADING**

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

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

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

The Company has an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2019-2020 and hence no complaint is outstanding as on 31.03.2020 for redressal.

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

### **AUDIT REPORTS**

- The Auditors' Report for the Fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this annual report.
- The secretarial Auditors' Report for the Fiscal 2020 does not contain any qualification, reservation, or adverse remark. The secretarial Auditors' Report is enclosed to the Board Report in this Annual Report.
- As required by the Listing Regulations, the Auditors' Certificate on Corporate Governance is enclosed to the Board Report. The Auditors' Certificate for Fiscal 2020 does not contain any qualification, reservation or adverse remark.

## **STATUTORY AUDITOR & SECRETARIAL AUDITOR**

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

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

## **AUDITORS**

In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditor) Rules, 2014 as amended, M/s. Chanani & Associates, Chartered Accountants (ICAI Firm Registration No. 325425E) was appointed at the 26<sup>th</sup> Annual General Meeting as the Auditors of the Company

for a consecutive period of five years from the conclusion of the said Annual General Meeting until the conclusion of Thirty first Annual General Meeting scheduled to be held in the year 2022.

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

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

## SECRETARIAL AUDIT

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

## EXTRACT OF ANNUAL RETURN

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

## SECRETARIAL STANDARD

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

## NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and Rules framed thereunder with respect to the Company's nature of business.

## PARTICULARS OF EMPLOYEES

The information required under section 197(12) of the Companies Act, 2013 and the rules made thereunder, as amended has been given in the annexure appended hereto and form part of this report. The company does not have any employees who were employed throughout the year and were in receipt of remuneration of more than Rs. 102 lacs per annum or employed for part of the year and were in receipt of remuneration of more than Rs. 8.50 lacs per month.

## EMPLOYEE STOCK OPTION

The company has not given any employee stock option scheme during the financial year 2019-2020. 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
Satyabrata Dey (Managing Director)	55.37:1
Shipra Dey (Director)	21.69:1
Rochita Dey (Director)	21.69:1
Sujay Bhattacharjee (Chief Financial Officer)	4.24:1
Bijoy Kumar Roy (Company Secretary)	2.53:1

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

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

Satyabrata Dey (Managing Director)	NIL
Bijoy Kumar Roy (Company Secretary)	33.57%
Sujay Bhattacharjee (Chief Financial Officer)	106.36%

- c) The % increase in the median remuneration of employees in the financial year: 7.50%
- d) The number of employees on the rolls of company: 50
- e) The explanation on the relationship between average increase in remuneration and company performance; The Company's PAT has decreased from Rs.3108.11 lacs to Rs. 2876.03 lacs, a decrease of 8.07%, against which the average increase in remuneration is 7.50% .
- f) Comparison of the remuneration of the Director and Key Managerial Personnel against the performance of the company: The increase in remuneration to the Directors, key managerial persons as well as employees of the company are based on annual review mechanism which takes care of the individual performance of the employee as well as the overall growth of the Company.

Variations in the market capitalization of the company, as at the closing date of the current financial year and previous financial year.

Particulars	March 31, 2020	March 31, 2019
Market Capitalization (Rs. in Crs)	311.79	579.58

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

Market Price as on March 31, 2020	Rs.123.95
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	1139.50%

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

- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 7.50% for employees other than Managerial Personnel,
- i) The key parameters for any variable component of remuneration availed by the directors: There is no variable component for any director, key managerial personnel as well as any employee of the company during the financial year.
- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- k) Affirmation that the remuneration is as per the remuneration policy of the company: The remuneration for Managing Director, Non-Independent Directors, KMP and rest of employees is as per the remuneration policy of the company.

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

	Sri Satyabrata Dey Managing Director	Mrs. Shipra Dey Director	Miss Rochita Dey Director	Sri Sujay Bhattacharjee Chief Financial Officer	Sri Bijoy Kumar Roy Company Secretary
Remuneration in Fiscal 2020 (in lacs)	96.00	37.62	37.62	7.36	4.39
Revenue (in lacs)	17304.83				
Remuneration as % of revenue	0.55	0.22	0.22	0.04	0.03
Profit / (loss) before Tax (in lacs)	3909.43				
Remuneration (as % of PBT)	2.46	0.96	0.96	0.19	0.11

### Details of significant changes in key financial ratios alongwith explanation

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company alongwith explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'), has been provided hereunder:

SI No	Particulars	2019-20	2018-19
i	Debtors to Sales (in days)	1.45	0.54
ii	Inventory to Turnover Ratio (in months)	1	0.97
iii	Interest Coverage Ratio	651.49	372.26
iv	Current Ratio	1.51	1.52
v	Operating Profit Margin(%)	22.59	21.92
vi	Net Profit Margin(%)	16.62	18.54
vii	Return on Networth(%)	11.44	12.85

- Interest coverage ratio increased due to increased operating profit and also interest decreased than earlier year.
- Net Profit Margin and Return on Net worth decreased than previous year since last year there was an exceptional income of Rs. 7.45 crs on property sale.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

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

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

### BUSINESS RESPONSIBILITY REPORT (BRR)

In compliance with Regulation 34(2)(f) of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015, your Company has prepared a BRR in the prescribed format provided in a separate section and forms an integral part of this report for the financial year ended March 31, 2020 describing initiatives undertaken by it from an environmental, social and governance perspective.

### CERTIFICATE CONFIRMING NON-DISQUALIFICATION OF DIRECTORS

A certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, has been received from, Company Secretaries and the same is annexed to this Report.

## CAUTIONARY STATEMENT

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

## ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Kolkata  
30th July, 2020

Satyabrata Dey  
Managing Director  
(DIN:00569965)

K.D Sarkar  
Director  
(DIN:08200786)

## Annexure A to Boards Report

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

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

**CSR policy is stated herein below:**

#### CSR Policy

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

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

To pursue these objectives we will continue to:

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

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

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

2. **Composition of CSR committee**

Name of The Member	Designation
Shri Anil Chandra Bera	Chairman
Smt. Sadhana Adhikary	Member
Shri Kali Das Sarkar	Member

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

Average net profit : Rs.29.95 Crores

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

The company is required to spend for financial year 2019–20	Rs. 59.89 lacs
Amount unspent for Previous year	Rs. 59.77 Lacs
Total	Rs.119.66 Lacs

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

- a) Total amount spent for the financial year: Rs.60.77 lacs
- b) Amount unspent if any: Rs.58.89 lacs

6. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities / Agency	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lacs)	Amount spent on the project or programme (Rs. Lacs)	Cumulative expenditure upto reporting period (Rs. Lacs)	Amount spent direct or through implementing agency
1.	Yoga	Vocational Training & research purpose	Bengaluru and Kolkata	5.00	5.00	5.00	Vivekananda Yoga Anusandhana Samsthana
2.	School	Education	Kolkata	15.00	15.00	15.00	APJ Abdul Kalam English Medium School
3	Welfare of under-privileged people	Health check-up, education & food	Kolkata	14.65	14.65	14.65	Tridhara Sammilani
4	Welfare of under-privileged people	Scholarship	Jharkhand	0.40	0.40	0.40	Student scholarship
5	Welfare of under-privileged people	Development of undeveloped area	West Bengal	0.40	0.40	0.40	Samaj Seva Bharati Paschimbanga
6	Welfare of under-privileged people	Making toilet	Kolkata	1.16	1.16	1.16	SUMANGAL
7	Welfare of under-privileged people	Vocational training	West Bengal	5.60	5.60	5.60	The Institute of Social & Cultural Studies
8	Welfare of under-privileged people	Welfare purpose	Jharkhand, Ranchi	10.50	10.50	10.50	Swanath Sukhay Charitable
9	Welfare of under-privileged people	Education	Bankura, Purulia, Jhargram	5.00	5.00	5.00	Purvachal Janakalyan Samiti
10	Welfare of under-privileged people	Education	Kolkata	1.55	1.55	1.55	Ashirbad
11	Welfare of under-privileged people	Education of unskilled labour	Kolkata	1.50	1.50	1.50	All India Centre for Urban and Rural Development

Note: The Company is identifying and evaluating 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.58.89 lacs remained unspent at the end of the Financial Year 2019-2020. The Company shall ensure that it complies with the requirements of the Companies Act, 2013 and Rules framed thereunder. The Company is committed to provide the amount as per Corporate Social Responsibility norms of the Companies Act, 2013.

For and on behalf of the Board of Directors

Kolkata  
30th July, 2020

Satyabrata Dey  
Managing Director  
(DIN:00569965)

K.D Sarkar  
Director  
(DIN:08200786)

## Annexure - B to Board Report

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

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

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

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

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



- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

For S. A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

C.P. No. : 3173

UDIN : F004917B000532611

Place : Kolkata

Date : 30/07/2020

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

## S. A. & ASSOCIATES

Company Secretaries

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

### Annexure A

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

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

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

For S. A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

C.P. No. : 3173

UDIN : F004917B000532611

Place : Kolkata  
Date : 30/07/2020

## S. A. & ASSOCIATES

Company Secretaries

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

### ANNEXURE B

Sl. No.	Form No/ Return	FiledU/S	Challan Date	Whether filed within due date	If failed,late additional fee paid	Remark (ROC RECEIPT (NO/SRN NO))
1	Form MGT 14	179(3)	23.11.19 23.10.19 22.08.19 25.06.19 14.05.19	YES YES YES YES YES	N.A. N.A. N.A. N.A. N.A.	R15369184 R07558778 H84228576 H67948398 H59134312
2	Form MGT 15	121(1)	16.10.19	YES	N.A	R05283593
3	AOC-4XBRL	137	23.10.19	YES	N.A	R07344898
4	Form MGT 7	92	26.12.19	NO	YES	R26643064
5	DIR-12	161	23.10.19 11.05.19	YES YES	N.A. N.A.	R07555030 H58959347
6	MR 1	196	22.11.19 22.11.19 22.11.19	YES YES YES	N.A. N.A. N.A.	R15223787 R15206253 R15233513
7	DPT 3	73	30.06.19 30.06.19	YES YES	N.A. N.A.	H74668708 H74677444
8	IEPF-1	124(5)	22.01.20 04.02.20	NO NO	YES YES	R30974265 R32202103
9.	IEPF-4	124(6)	16.11.19 04.02.20	NO NO	YES YES	R13535554 R32205445

Central Government

NIL

Regional Director

NIL

Other Authorities

NIL

For S. A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

C.P. No. : 3173

UDIN : F004917B000532611

Place : Kolkata  
Date : 30/07/2020

## S. A. & ASSOCIATES

Company Secretaries

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members of  
Sreeleathers Ltd.  
6, Tottee Lane  
Kolkata - 700 016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sreeleathers Ltd. having CIN : L67190WB1991PLC050656 and having its Registered Office at 6, Tottee Lane, Kolkata - 700 016 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company, its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Directors	DIN	Date of appointment In Company
1.	Mr.SatyabrataDey	00569965	02.12.1999
2.	Mrs.ShipraDey	00570021	26.04.2019
3.	Miss RochitaDey	02947831	26.12.2018
4.	Mrs.SadhanaAdhikary	02974882	25.09.2014
5.	Mr.K.D.Sarkar	08200786	22.08.2018
6.	Mr.Anil Chandra Bera	02002208	22.08.2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

C.P. No. : 3173

UDIN : F004917B000544445

Place : Kolkata

## Annexure C to Boards Report

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2020

[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	14/01/1991
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) 2286-1571
vi)	WHETHER LISTED COMPANY	YES
vii)	NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR & TRANSFER AGENTS (RTA), IF ANY	NICHE TECHNOLOGIES PVT. LTD. 3A, AUCKLAND PLACE, 7TH FLOOR ROOM NO. 7A & 7B, KOLKATA - 700 017

#### 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	53.79%
2	Footwear Retail	52323	15.43%
3	Leather Goods and Accessories	52324	30.78%

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

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

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

##### (i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual	7578519	0	7578519	30.127	7938673	0	7938673	31.559	1.432
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corp.	8757820	0	8757820	34.815	8757820	0	8757820	34.815	0.000
(e) Banks / FI									
(f) Any Other....									
<b>Sub-total (A)(1):-</b>	<b>16336339</b>	<b>0</b>	<b>16336339</b>	<b>64.943</b>	<b>16696493</b>	<b>0</b>	<b>16696493</b>	<b>66.374</b>	<b>1.431</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
<b>Sub-total (A) (2):-</b>	0	0	0	0.000	0	0	0	0.000	0.000
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	16336339	0	16336339	64.943	16696493	0	16696493	66.374	1.431
<b>B. Public Shareholding</b>									
(1) Institutions									
(a) Mutual Funds									
(b) Banks / FI	1192	0	1192	0.005					-0.005
(c) Central Govt.									
(d) State Govt.(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
FPI - Corporate Cat- II	715948	0	715948	2.846	723850	0	723850	2.878	0.032
Alternate Investment Funds					33000	0	33000	0.131	0.131
<b>Sub-total (B)(1)</b>	717140	0	717140	2.851	756850	0	756850	3.009	0.158
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	2893764	275900	3169664	12.601	4758358	0	4758358	18.916	6.315
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	855263	69191	924454	3.675	1018026	1919	1019945	4.055	0.380
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1656843	1618157	3275000	13.019	1732437	69000	1801437	7.161	-5.858
(c) Others (specify)									
1. NRI	33236	0	33236	0.132	35507	0	35507	0.141	0.009
2. Clearing Members	679329	0	679329	2.701	66472	0	66472	0.264	-2.437
3. IEPF Authority	19850	0	19850	0.079	19950	0	19950	0.079	0.000
<b>Sub-total (B)(2):-</b>	6138285	1963248	8101533	32.206	7630750	70919	7701669	30.617	-1.589
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	6855425	1963248	8818673	35.057	8387600	70919	8458519	33.626	-1.431
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	23191764	1963248	25155012	100.000	25084093	70919	25155012	100.000	0.000

(ii) Shareholding of Promoter :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	EASEL ADVERTISING PVT LTD	3239500	12.878	0.000	3239500	12.878	0.000	0.000
2	JYOTSNA DEY	500300	1.989	0.000	500300	1.989	0.000	0.000
3	KALPANA MITRA	4750	0.019	0.000	4750	0.019	0.000	0.000
4	PANCHAVATI TIE-UP PVT LTD	5024666	19.975	0.000	5024666	19.975	0.000	0.000
5	ROCHITA DEY	0	0.000	0.000	159246	0.633	0.000	0.633
6	SATYA BRATA DEY	4491154	17.854	0.000	4491154	17.854	0.000	0.000
7	SHEKAR DEY	507740	2.018	0.000	507740	2.018	0.000	0.000
8	SHIPRA DEY	12925	0.051	0.000	33593	0.134	0.000	0.083
9	SHOELINE TRADING PVT. LTD.	493654	1.962	0.000	493654	1.962	0.000	0.000
10	SOHAM DEY	0	0.000	0.000	180240	0.717	0.000	0.717
11	SUMANTA DEY	893200	3.551	0.000	893200	3.551	0.000	0.000
12	SUSHANTO DEY	1168450	4.645	0.000	1168450	4.645	0.000	0.000
	<b>T O T A L</b>	<b>16336339</b>	<b>64.943</b>	<b>0.000</b>	<b>16696493</b>	<b>66.374</b>	<b>0.000</b>	<b>1.431</b>

(iii) Change in Promoters' Shareholding :

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	EASEL ADVERTISING PVT LTD				
	a) At the Beginning of the Year	3239500	12.878		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			3239500	12.878
2	JYOTSNA DEY				
	a) At the Beginning of the Year	500300	1.989		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			500300	1.989
3	KALPANA MITRA				
	a) At the Beginning of the Year	4750	0.019		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			4750	0.019
4	PANCHAVATI TIE-UP PVT LTD				
	a) At the Beginning of the Year	5024666	19.975		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5024666	19.975

5	ROCHITA DEY				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	23/08/2019 Transfer	74000	0.294	74000	0.294
	30/08/2019 Transfer	14400	0.057	88400	0.351
	31/12/2019 Transfer	28150	0.112	116550	0.463
	20/03/2020 Transfer	13734	0.055	130284	0.518
	27/03/2020 Transfer	28962	0.115	159246	0.633
	c) At the End of the Year			159246	0.633
6	SATYA BRATA DEY				
	a) At the Beginning of the Year	4491154	17.854		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			4491154	17.854
7	SHEKAR DEY				
	a) At the Beginning of the Year	507740	2.018		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			507740	2.018
8	SHIPRA DEY				
	a) At the Beginning of the Year	12925	0.051		
	b) Changes during the year				
	Date Reason				
	31/03/2020 Transfer	20668	0.082	33593	0.134
	c) At the End of the Year			33593	0.134
9	SHOELINE TRADING PRIVATE LIMITED				
	a) At the Beginning of the Year	493654	1.962		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			493654	1.962
10	SOHAM DEY				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	31/12/2019 Transfer	111332	0.443	111332	0.443
	06/03/2020 Transfer	10081	0.040	121413	0.483
	13/03/2020 Transfer	14919	0.059	136332	0.542
	20/03/2020 Transfer	16914	0.067	153246	0.609
	27/03/2020 Transfer	26994	0.107	180240	0.717
	c) At the End of the Year			180240	0.717
11	SUMANTA DEY				
	a) At the Beginning of the Year	893200	3.551		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			893200	3.551
12	SUSHANTO DEY				
	a) At the Beginning of the Year	1168450	4.645		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1168450	4.645
	<b>TOTAL</b>	<b>16336339</b>	<b>64.943</b>	<b>16696493</b>	<b>66.374</b>



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

Sl. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	ARUN KUMAR PODDAR				
	a) At the Beginning of the Year	203670	0.810		
	b) Changes during the year				
	Date Reason				
	21/06/2019 Transfer	-203670	0.810	0	0.000
	c) At the End of the Year			0	0.000
2	BMA WEALTH CREATORS LTD				
	a) At the Beginning of the Year	571368	2.271		
	b) Changes during the year				
	Date Reason				
	12/04/2019 Transfer	5	0.000	571373	2.271
	07/06/2019 Transfer	-10000	0.040	561373	2.232
	14/06/2019 Transfer	-34238	0.136	527135	2.096
	28/06/2019 Transfer	-20994	0.083	506141	2.012
	05/07/2019 Transfer	-60000	0.239	446141	1.774
	12/07/2019 Transfer	1393	0.006	447534	1.779
	19/07/2019 Transfer	-1	0.000	447533	1.779
	02/08/2019 Transfer	-19	0.000	447514	1.779
	09/08/2019 Transfer	1	0.000	447515	1.779
	23/08/2019 Transfer	-611	0.002	446904	1.777
	30/08/2019 Transfer	-983	0.004	445921	1.773
	06/09/2019 Transfer	-4	0.000	445917	1.773
	13/09/2019 Transfer	-445086	1.769	831	0.003
	20/09/2019 Transfer	-780	0.003	51	0.000
	27/09/2019 Transfer	53	0.000	104	0.000
	c) At the End of the Year			104	0.000
3	BSR FINANCE & CONSTRUCTIONS LIMITED				
	a) At the Beginning of the Year	233021	0.926		
	b) Changes during the year				
	Date Reason				
	26/04/2019 Transfer	10903	0.043	243924	0.970
	17/05/2019 Transfer	5397	0.021	249321	0.991
	14/06/2019 Transfer	15000	0.060	264321	1.051
	05/07/2019 Transfer	42162	0.168	306483	1.218
	02/08/2019 Transfer	10000	0.040	316483	1.258
	23/08/2019 Transfer	-15000	0.060	301483	1.199
	30/08/2019 Transfer	5765	0.023	307248	1.221
	13/09/2019 Transfer	10000	0.040	317248	1.261
	08/11/2019 Transfer	5000	0.020	322248	1.281
	15/11/2019 Transfer	3905	0.016	326153	1.297
	22/11/2019 Transfer	5735	0.023	331888	1.319
	29/11/2019 Transfer	5698	0.023	337586	1.342
	13/12/2019 Transfer	4734	0.019	342320	1.361
	20/12/2019 Transfer	3995	0.016	346315	1.377

	27/12/2019	Transfer	3545	0.014	349860	1.391
	17/01/2020	Transfer	13705	0.054	363565	1.445
	24/01/2020	Transfer	15983	0.064	379548	1.509
	07/02/2020	Transfer	9860	0.039	389408	1.548
	14/02/2020	Transfer	2754	0.011	392162	1.559
	28/02/2020	Transfer	5242	0.021	397404	1.580
	06/03/2020	Transfer	10559	0.042	407963	1.622
	13/03/2020	Transfer	6174	0.025	414137	1.646
	20/03/2020	Transfer	5299	0.021	419436	1.667
	27/03/2020	Transfer	-48326	0.192	371110	1.475
	c) At the End of the Year				371110	1.475
4	EDELWEISS CUSTODIAL SERVICES LTD					
	a) At the Beginning of the Year		1205	0.005		
	b) Changes during the year					
	Date	Reason				
	05/04/2019	Transfer	1059	0.004	2264	0.009
	12/04/2019	Transfer	-330	0.001	1934	0.008
	19/04/2019	Transfer	-21	0.000	1913	0.008
	26/04/2019	Transfer	1941	0.008	3854	0.015
	10/05/2019	Transfer	-2517	0.010	1337	0.005
	31/05/2019	Transfer	686	0.003	2023	0.008
	14/06/2019	Transfer	536	0.002	2559	0.010
	19/07/2019	Transfer	-58	0.000	2501	0.010
	06/09/2019	Transfer	-938	0.004	1563	0.006
	10/01/2020	Transfer	444353	1.766	445916	1.773
	c) At the End of the Year				445916	1.773
5	HABROK INDIA MASTER LP					
	a) At the Beginning of the Year		715948	2.846		
	b) Changes during the year					
	Date	Reason				
	16/08/2019	Transfer	3640	0.014	719588	2.861
	23/08/2019	Transfer	4262	0.017	723850	2.878
	c) At the End of the Year				723850	2.878
6	HILTON MERCHANDISE LIMITED					
	a) At the Beginning of the Year		275900	1.097		
	b) Changes during the year					
	Date	Reason				
	31/05/2019	Transfer	-275900	1.097	0	0.000
	c) At the End of the Year				0	0.000
7	IMAGE DEALERS PRIVATE LIMITED					
	a) At the Beginning of the Year		200000	0.795		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year				200000	0.795
8	INTERLINK SAVING AND FINANCE PVT. LTD.					
	a) At the Beginning of the Year		200000	0.795		
	b) Changes during the year					
	Date	Reason				
	31/05/2019	Transfer	-2000	0.008	198000	0.787
	07/06/2019	Transfer	2000	0.008	200000	0.795

	28/06/2019	Transfer	-1317	0.005	198683	0.790
	05/07/2019	Transfer	-353	0.001	198330	0.788
	25/10/2019	Transfer	240	0.001	198570	0.789
	c) At the End of the Year				198570	0.789
9	LINTON CONSULTANTS PRIVATE LIMITED					
	a) At the Beginning of the Year		181556	0.722		
	b) Changes during the year					
	Date	Reason				
	05/04/2019	Transfer	-1000	0.004	180556	0.718
	17/05/2019	Transfer	1000	0.004	181556	0.722
	24/05/2019	Transfer	-4000	0.016	177556	0.706
	07/06/2019	Transfer	-4000	0.016	173556	0.690
	05/07/2019	Transfer	-11517	0.046	162039	0.644
	12/07/2019	Transfer	-339	0.001	161700	0.643
	19/07/2019	Transfer	8686	0.035	170386	0.677
	23/08/2019	Transfer	-9529	0.038	160857	0.639
	06/09/2019	Transfer	5000	0.020	165857	0.659
	20/09/2019	Transfer	-3000	0.012	162857	0.647
	14/02/2020	Transfer	-302	0.001	162555	0.646
	06/03/2020	Transfer	15655	0.062	178210	0.708
	13/03/2020	Transfer	1532	0.006	179742	0.715
	20/03/2020	Transfer	-17000	0.068	162742	0.647
	c) At the End of the Year				162742	0.647
10	MULTIPLUS RESOURCES LIMITED					
	a) At the Beginning of the Year		294075	1.169		
	b) Changes during the year					
	Date	Reason				
	26/04/2019	Transfer	1500	0.006	295575	1.175
	28/06/2019	Transfer	5000	0.020	300575	1.195
	19/07/2019	Transfer	10000	0.040	310575	1.235
	26/07/2019	Transfer	100000	0.398	410575	1.632
	02/08/2019	Transfer	37757	0.150	448332	1.782
	09/08/2019	Transfer	20000	0.080	468332	1.862
	16/08/2019	Transfer	-5000	0.020	463332	1.842
	23/08/2019	Transfer	-15000	0.060	448332	1.782
	13/09/2019	Transfer	15000	0.060	463332	1.842
	17/01/2020	Transfer	13700	0.054	477032	1.896
	31/01/2020	Transfer	13917	0.055	490949	1.952
	21/02/2020	Transfer	5000	0.020	495949	1.972
	28/02/2020	Transfer	2500	0.010	498449	1.982
	06/03/2020	Transfer	-15000	0.060	483449	1.922
	31/03/2020	Transfer	-39279	0.156	444170	1.766
	c) At the End of the Year				444170	1.766
11	NEWWAVE COMMOSE LIMITED					
	a) At the Beginning of the Year		416099	1.654		
	b) Changes during the year					
	Date	Reason				
	31/05/2019	Transfer	-10500	0.042	405599	1.612
	26/07/2019	Transfer	-50000	0.199	355599	1.414

	13/09/2019	Transfer	-15000	0.060	340599	1.354
	c) At the End of the Year				340599	1.354
12	ORBIS FINANCIAL CORPORATION LIMITED					
	a) At the Beginning of the Year		15	0.000		
	b) Changes during the year					
	Date	Reason				
	24/05/2019	Transfer	50	0.000	65	0.000
	07/06/2019	Transfer	10	0.000	75	0.000
	21/06/2019	Transfer	1030	0.004	1105	0.004
	09/08/2019	Transfer	-1000	0.004	105	0.000
	04/10/2019	Transfer	-80	0.000	25	0.000
	18/10/2019	Transfer	-10	0.000	15	0.000
	29/11/2019	Transfer	-15	0.000	0	0.000
	13/03/2020	Transfer	588927	2.341	588927	2.341
	20/03/2020	Transfer	-207916	0.827	381011	1.515
	27/03/2020	Transfer	40000	0.159	421011	1.674
	31/03/2020	Transfer	270725	1.076	691736	2.750
	c) At the End of the Year				691736	2.750
13	SHRESTH BUILDERS PRIVATE LIMITED					
	a) At the Beginning of the Year		272830	1.085		
	b) Changes during the year					
	Date	Reason				
	24/05/2019	Transfer	12444	0.049	285274	1.134
	31/05/2019	Transfer	10500	0.042	295774	1.176
	07/06/2019	Transfer	13974	0.056	309748	1.231
	14/06/2019	Transfer	10000	0.040	319748	1.271
	21/06/2019	Transfer	10000	0.040	329748	1.311
	28/06/2019	Transfer	11900	0.047	341648	1.358
	29/06/2019	Transfer	9839	0.039	351487	1.397
	05/07/2019	Transfer	68480	0.272	419967	1.670
	12/07/2019	Transfer	10000	0.040	429967	1.709
	26/07/2019	Transfer	20000	0.080	449967	1.789
	02/08/2019	Transfer	21000	0.083	470967	1.872
	09/08/2019	Transfer	7000	0.028	477967	1.900
	23/08/2019	Transfer	-9956	0.040	468011	1.861
	30/08/2019	Transfer	-5000	0.020	463011	1.841
	08/11/2019	Transfer	4000	0.016	467011	1.857
	15/11/2019	Transfer	5000	0.020	472011	1.876
	22/11/2019	Transfer	14000	0.056	486011	1.932
	31/01/2020	Transfer	10929	0.043	496940	1.976
	14/02/2020	Transfer	-10749	0.043	486191	1.933
	21/02/2020	Transfer	5000	0.020	491191	1.953
	28/02/2020	Transfer	9026	0.036	500217	1.989
	06/03/2020	Transfer	-15286	0.061	484931	1.928
	20/03/2020	Transfer	15820	0.063	500751	1.991
	c) At the End of the Year				500751	1.991
	<b>TOTAL</b>		<b>3565687</b>	<b>14.175</b>	<b>4079548</b>	<b>16.219</b>

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	ROCHITA DEY				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	23/08/2019 Transfer	74000	0.294	74000	0.294
	30/08/2019 Transfer	14400	0.057	88400	0.351
	31/12/2019 Transfer	28150	0.112	116550	0.463
	20/03/2020 Transfer	13734	0.055	130284	0.518
	27/03/2020 Transfer	28962	0.115	159246	0.633
	c) At the End of the Year			159246	0.633
2	SATYA BRATA DEY				
	a) At the Beginning of the Year	4491154	17.854		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			4491154	17.854
3	SHIPRA DEY				
	a) At the Beginning of the Year	12925	0.051		
	b) Changes during the year				
	Date Reason				
	31/03/2020 Transfer	20668	0.082	33593	0.134
	c) At the End of the Year			33593	0.134
	<b>T O T A L</b>	<b>4504079</b>	<b>17.905</b>	<b>4683993</b>	<b>18.621</b>

V. INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	10,000,000	-	10,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,897,131	-	1,897,131
<b>Total (i+ii+iii)</b>	-	<b>11,897,131</b>	-	<b>11,897,131</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	11,000,000	-	11,000,000
<b>Net Change</b>	-	<b>-11,000,000</b>	-	<b>-11,000,000</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	1,438,292	-	1,438,292
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>1,438,292.00</b>	-	<b>1,438,292</b>

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount p.a.
		Satyabrata Dey Managing Director	Shipra Dey Executive Director	Rochita Dey Executive Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	9,600,000	3,761,538	3,761,538	17,123,076
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - Others, specify...				
5.	Others - Meeting Fees				
	Total (A)				17,123,076
	Ceiling as per the Act	(10% of net profits of the company calculated U/S 198 of Companies Act, 2013)			39,094,247

### B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		K. D. Sarkar	Anil Chandra Bera	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	15,000	15,000	30,000
	Total (1)			
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify			
	Total (2)			
	Total (B)=(1+2)	15,000	15,000	30,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	(1% of net profits of the Company calculated U/S 198 of companies Act, 2013)		3,909,425
	Total Managerial Remuneration (A+B)			17,153,076
	Overall Ceiling as per the Act	(11% of net profits of the Company calculated U/S 198 of Companies Act 2013)		43,003,671

**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	4,39,231	7,35,769	11,75,000
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - Others, specify...			
5	Others, please specify			
	Total	4,39,231	7,35,769	11,75,000

**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)
<b>A. COMPANY</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>NIL</b>		
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, 2020.

For Sreeleathers Limited

Kolkata  
30th July, 2020

Satyabrata Dey  
Managing Director  
(DIN:00569965)

K.D Sarkar  
Director  
(DIN:08200786)

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

The Board of Directors

M/s. Sreeleathers Limited

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

- a) We have reviewed the financial statements and the cash flow statement of Sreeleathers Limited for the financial year 2019-2020 and that to the best of our knowledge and belief, we state that these statements:
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee.
  - (i) Significant changes in Internal Controls with respect to financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and these have been disclosed in the notes to the financial statements.
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Kolkata  
30th July, 2020

Satyabrata Dey  
Managing Director  
(DIN:00569965)

Sujay Bhattacharjee  
Chief Financial Officer



## INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of Sreeleathers Limited**

This certificate is issued in accordance with the terms of our engagement letter dated 10 April 2019 read with addendum to this engagement letter dated 14th April ,2020

We have examined the compliance of conditions of Corporate Governance by Sreeleathers Limited ('The Company') for the year ended 31<sup>st</sup> March 2020 stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015.

### **Management's Responsibility**

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### **Auditor's Responsibility**

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and related Services Engagements.

### **OPINION**

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

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

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

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

Madhaw Chanani  
Partner

Membership No: 060624  
ICAI UDIN:20060624AAAAAL4994

Kolkata  
30th July,2020

## CORPORATE GOVERNANCE

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

### 1. PHILOSOPHY

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

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

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

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

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

### 2. BOARD OF DIRECTORS

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

#### a) Composition, Category of Directors and their other directorship as on March 31, 2020:

Name of Director	DIN	Category	No. of other Directorships	Committees	
				Position Memberships	Chairman
Shri Satyabrata Dey	00569965	Managing Director	1	-	-
Shri Kalidas Sarkar	08200786	Independent Director	-	-	-
Smt. Sadhana Adhikary	02974882	Independent Director	-	-	-
Shri Anil Chandra Bera	02002208	Independent Director	-	-	-
Ms. Rochita Dey	02947831	Director	-	-	-
Mrs. Shipra Dey	00570021	Director	-	-	-

Notes :

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

## b) Number of Board Meetings

During the year ended March 31, 2020, 10 (ten) Board Meetings were held on April 26, May 29, June 13, June 27, August 09, October 14, November 14, December 11, December 31, 2019 & February 14, 2020. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations.

## c) Directors' attendance record

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Shri Satyabrata Dey	8	Yes
Shri Kalidas Sarkar	10	Yes
Mrs Shipra Dey	8	Yes
Smt. Sadhana Adhikary	10	Yes
Shri Anil Chandra Bera	10	Yes
Ms. Rochita Dey	8	Yes

## Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

## Conflict of Interests

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

## 3. COMMITTEES OF THE BOARD

### a) AUDIT COMMITTEE

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

#### i) Composition of the Audit Committee

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

- a) Mr. Kalidas Sarkar.
- b) Mr. Anil Chandra Bera
- 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 2020 i.e. on 29th May 2019, 9th August 2019, 14th November 2019 and 14th February 2020.

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

Name of the Member	Meeting attendance
Mr. Kalidas Sarkar (Chairman)	4
Mr. Anil Chandra Bera	4
Mrs. Sadhana Adhikary	4

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

## b) NOMINATION & REMUNERATION COMMITTEE AND POLICY

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

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

Name of The Member	Designation	Position In the Committee
Kalidas Sarkar	Non Executive & Independent	Chairman
Sadhana Adhikary	Non Executive & Independent	Member
Anil Chandra Bera	Non Executive & Independent	Member

The committee met 2 times during the financial year ended March 31, 2020. The attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No. of Meetings Attended
Kalidas Sarkar	Chairman	2
Sadhana Adhikary	Member	2
Anil Chandra Bera	Member	2

The details of remuneration for the year ended March 31, 2020 to the Executive Directors are as follows:

Name	Designation	Remuneration
Satyabrata Dey	Managing Director	96.00 Lacs
Shipra Dey*	Director	37.62 lacs
Rochita Dey*	Director	37.62 lacs

\* Note: Shipra Dey and Rochita Dey appointed in the AGM dated 24<sup>th</sup> September, 2019

## **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/her engagement level.

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

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

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

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed / re-appointed has been annexed to the Notice convening the 29th AGM.

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

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

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

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

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

**Remuneration for the CEO & Managing Director**

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

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

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

**Remuneration Policy for the Senior Management Employees**

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

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

**c) Stakeholder relationship Committee**

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

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

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

<b>Name of the Member</b>	<b>No. of Meeting Held</b>	<b>No. of Meeting Attended</b>
Anil Chandra Bera, Chairman	4	4
Kalidas Sarkar, Member	4	4
Sadhana Adhikary, Member	4	4

Status of the complaints received during the year 2019-2020, from shareholders and investors as shown below (Dividend/Annual Report/Others):

Number of Complaints received	6
Number of Complaints Resolved	6
Number of pending as on 31.03.2020	Nil

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

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

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

<b>Name of The Member</b>	<b>Designation</b>
Anil Chandra Bera	Chairman
Sadhana Adhikary	Member
Kalidas Sarkar	Member

The committee met 3 times during the financial year ended March 31, 2020. The attendance record of the members at the meeting were as follows:

<b>Name of The Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Anil Chandra Bera	Chairman	3
Sadhana Adhikary	Member	3
Kalidas Sarkar	Member	3

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 Companies Act, 2013 and as amended from time to time. The CSR policy of the company has been uploaded on the website of the company and viewed at <http://www.sreeleathers.com/SL/CSR.pdf>

**e) PERFORMANCE EVALUATION COMMITTEE**

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

<b>Name of The Member</b>	<b>Designation</b>
Kalidas Sarkar	Chairman
Sadhana Adhikary	Member
Anil Chandra Bera	Member

The committee met 3 times during the financial year ended March 31, 2020. The attendance record of the members at the meeting were as follows :

<b>Name of The Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Kalidas Sarkar	Chairman	3
Sadhana Adhikary	Member	3
Anil Chandra Bera	Member	3

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

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

## INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on November 21, 2019, February 18, 2020 and March 14, 2020 inter alia, to discuss:

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

All the independent Directors were present at the meeting.

## 4. SHAREHOLDERS

### a. (i) Means of Communication

- (a) The quarterly and the Annual Audited Financial Results of the Company are communicated to the Stock Exchanges on time and are also uploaded on Company's Website and are regularly published in the following newspapers:
  - (i) Echo of India (English)
  - (ii) Arthik Lipi (Bengali)
- (b) The Company's Website is <https://sreeleathers.co.in/quarterly-report>
- (c) The results are published in accordance with the guidelines of the Stock Exchanges.
- (ii) In line with the existing provisions of the SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015, the complaints and grievances of the investors can be mailed at [sreeleathers@sreeleathers.com](mailto:sreeleathers@sreeleathers.com).
- (iii) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Ltd., CSE Ltd. and NSE Ltd. are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (iv) A separate dedicated section under "Investors Relation", on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

### (v) Nomination

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

### (vi) Electronic Clearing Service

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

### b. Share Transfers Agents

M/s. Niche Technologies Pvt. Ltd., 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700 007.  
E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)



## c. Share Transfer System

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

## d. General Body Meetings

Details of last three Annual General Meetings are as under.

Financial Year	Date	Time	Venue	Details of Special Resolutions Passed
2018-19	24-09-2019	10.30 am	Jamuna Banquets 31/2B, Marquis Street Kolkata – 700 016	Re-Appointment of Mrs. Sadhana Adhikary as Independent Director, reappointment of Mr. Satyabrata Dey as Managing Director, appointment of Ms. Rochita Dey and Mrs. Shipra Dey as Directors
2017-18	29-09-2018	10.30 am	Jamuna Banquets 31/2B, Marquis Street Kolkata – 700 016	Appointment of Sri Anil Chandra Bera as Independent Director
2016-17	15-09-2017	10.30 am	Jamuna Banquets 31/2B, Marquis Street Kolkata – 700 016	-

No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2020.

## e. Postal Ballot

For the year ended March 31, 2020 there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

## 5. Additional shareholders information

- a) **Annual General Meeting Date** : The details of AGM, Book Closure period date are being disclosed in the Notice conveying the 29th AGM and forming part of the Annual Report.

Members holding shares are again requested to register their email address with RTA/their own depositories so that they can receive the Annual Report and any other communication from the company through email. They are also requested to complete their KYC with PAN and BANK A/c details as it is made mandatory by SEBI.

- b) **Financial Calendar**

Financial Year: April 01 to March 31 for the financial year 2020-2021 , the tentative dates for declaration of Quarterly unaudited results will be by August 14, 2020, November 14 2020, February 13, 2021 and May 29, 2021 or any other date as may be allowed by SEBI/MCA

- c) **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

d) **Stock data**

High/Low of Market price of Company's equity shares traded on the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd. during the financial year ended on March 31, 2020 was as follows:

Month	BSE					NSE				
	High (₹)	Low (₹)	Volume (Nos.)	SENSEX		High (₹)	Low (₹)	Volume (Nos.)	NIFTY	
				High	Low				High	Low
April 19	232.35	205.25	8134	39487.45	38460.25	236.40	204.30	114617	11856.15	11549.10
May 19	219.70	191.10	25282	40124.96	36956.10	219.90	190.50	147825	12041.15	11108.30
June 19	207.00	174.00	65105	40312.07	38870.96	200.95	174.00	173439	12103.05	11625.10
July 19	194.25	134.50	57838	40032.41	37128.26	188.95	134.10	162775	11981.75	10999.40
Aug 19	175.95	130.00	15373	37807.55	36102.35	178.05	127.40	211436	11181.45	10637.15
Sept 19	202.45	160.00	16550	39441.12	35987.80	203.20	159.50	217830	11694.85	10670.25
Oct 19	181.70	152.00	17238	40392.22	37415.83	186.00	160.40	122579	11945.00	11090.15
Nov 19	189.25	162.05	7314	41163.79	40014.23	182.45	160.00	175269	12158.80	11802.65
Dec 19	185.30	160.00	547530	41809.96	40135.37	187.00	162.70	179408	12293.90	11832.30
Jan 20	188.10	163.20	103905	42273.87	40476.55	193.00	165.00	139750	12430.50	11929.60
Feb 20	183.55	150.00	34137	41709.30	38219.97	184.35	144.00	343981	12246.70	11175.05
Mar 20	154.40	87.10	467157	39074.90	25650.80	154.80	90.00	384925	11433.00	7511.10

Note: During the financial year ended March 31, 2020, there was no trading in the equity shares of the Company at CSE.

e) **Distribution of shareholding as on March 31, 2020**

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Up to 500	5686	92.22	392312	1.56
501 to 1000	183	2.97	145800	0.58
1001 to 5000	156	2.53	345742	1.38
5001 to 10000	40	0.65	329845	1.31
10001 to 50000	62	1.00	1562015	6.21
50001 to 100000	14	0.22	961596	3.82
100001 to above	25	0.41	21417702	85.14
Total	6166	100.00	2,51,55,012	100.00

f) **Share Holding Pattern**

Sr. No.	Category	No. of Shares	% of Share Holding
1.	Promoters (Individual/Body Corporate)	16696493	66.374
2.	Alternate Investment Funds	33000	0.131
3.	Foreign Portfolio Investor	723850	2.878
4.	Bodies Corporate	4758358	18.916
5.	Resident Individuals	2821382	11.216
6.	NRIs	35507	0.141
7.	IEPF Authority	19950	0.079
8.	Others –Clearing Members	66472	0.264
	Total	25155012	100.00

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

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

h) **Shares held in physical and dematerialized form**

As on March 31, 2020, 25084093 shares (99.72%) were held in dematerialized form and the rest in physical form.

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

NIL

j) **Address for correspondence**

**Registered office :**

6, Tottee Lane, Kolkata - 700 016, Phone : (033) 2286-1571

E-Mail : sreeleathers@sreeleathers.com, Website:www.sreeleathers.com

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

**Share Transfer Agent :**

Niche Technologies Private Limited, 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700 017

E-mail : nichetechpl@nichetechpl.com, Phone No: +91 033 2234 3576

k) **Shares held in electronic form**

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

**Dematerialization of Shares and Liquidity**

Since the equity shares of the Company are compulsorily traded in dematerialized mode, the members are advised to hold their shares in dematerialized mode with any Depository Participants (DPs) registered with NSDL and CDSL. Requests for dematerialization of shares should be sent directly by the DPs concerned to the RTA, M/s. Niche Technologies Private Limited at 3A, Auckland Place, 7th Floor, Room No 7A & 7B, , Kolkata – 700017. Any delay on the part of the DPs to send the Demat Request Forms (DRF) and relevant Share Certificates beyond 15 days from the date of generation of the Demat Request Number (DRN) by the DPs will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the RTA beyond a period of 21 days. Members/ Investors should, therefore, ensure that their DPs do not delay in sending the DRF and relevant Share Certificates to the RTA immediately after generating the DRN. The International Securities Identification Number (ISIN) assigned to the Equity Shares of the Company under the Depository System is INE099F01013 and the Shares of the Company are frequently traded at the BSE and NSE.

## 6. Disclosures

- a. **Related Party Transaction :** During the year the company has framed a policy on related party transaction setting out the manner of dealing with transactions between the company and related parties based on the provision of the Act and listing agreement requirements. The policy is also available on the website of the company <http://www.sreeleathers.com/Investor/Policy/Relatedparty.pdf>. 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 transactions 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 2019-2020.

- 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 except in respect of matters under regulation 34 of SEBI (Listing Obligation & Disclosure requirement) for submission of Annual accounts of Financial Year 2017-2018 within 21 days of approval of AGM, which was submitted after two days from due date and fine imposed by the stock exchange was duly paid.
- 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. No funds raised by the company through preferential allotment or qualified institutions placement.
- g. The Management confirms that the financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies Act, 2013.

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

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

## 7. Compliance during last three years

There has been no instance of non-compliances by the Company on any matter related to capital markets during the last three years except as per below :

During the financial year 2018-19 two days delay of submission of Annual Report for the Financial Year 2017-18 as per Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) and fine imposed Rs. 4000 was duly paid.

Apart from that no other penalty / stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

### Discretionary Corporate Governance Requirements

In terms of Regulation 27(1) of the Listing Regulations read with Schedule II to the said Regulations, the disclosure on account of the extent to which the discretionary requirements as specified in Part E of Schedule II are given below:

- a) In view of publication of the Financial Results of the Company in newspapers having wide circulation and disseminating the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly results separately to the Shareholders;
- b) The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis
- c) In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2020.

### (A) Industry structure and developments

India is currently the second largest footwear manufacturer in the world. The footwear market consists of companies engaged in manufacturing, selling and marketing of different kinds of footwear and accessories to men, women and kids. Footwear has grown from being a necessity, as protector of feet, to an accessory which has become a style statement for customers.

The Indian footwear market is dominated by unorganized players but as consumer preference and buying behavior is changing, organized retail players are making space for themselves in the market. Of the total footwear produced, 90% are consumed within the country while the remaining 10% are exported.

With increasing internet penetration and rising popularity of the e-commerce market, footwear retailers, having a presence over the e-commerce system, are using the internet not only for driving sales but also to monitor consumer-buying behaviour. They are accordingly offering a personalized experience to customers. Through e-commerce platforms companies also provide fast and convenient functional experience to customers like easy payment option, grievance management, after sales service and competitive price.

Increase in disposable income and per capita income has revolutionized the consumers' buying and spending pattern towards footwear. A greater proportion of the overall Indian population, which includes tier I and II cities as well as smaller towns, have considerably higher spending power, as a result of which, expansion of the footwear market is gaining mass momentum.

### (B) OPPORTUNITIES, THREATS AND CONCERNS

The outbreak of Covid-19 has already changed the way businesses across sectors function. Companies are re-strategizing and re-structuring their internal models and business plans so that they are able to efficiently get back on track when the pandemic is behind us and the economy has revived. With people observing social distancing in India and staying at home to help curb the spread of the disease, the retail sector has taken a big hit with offline stores and malls remaining shut. Being part of the footwear industry, your Company is introducing innovative and productive ways to be better prepared in times of a crisis like this. The priority is how to retain our customer base by adapting to new and emerging trends that will be here to stay post COVID-19.

Though the pandemic has brought with it a certain fear, uncertainty and regard for health, it has also, in many ways, reset the world. Once the economic stability has returned and businesses have bounced back, there will be very important lessons learnt that may elevate the footwear industry to a much better place in the future.

### (C) OUTLOOK

The footwear industry is staring at a revenue loss with no revenues during the Covid-19 lockdown period, with closure of retail outlets and restriction of delivery of non-essential items in certain areas. Moreover, the pandemic may catalyze the shift to e-commerce. However, with the norms of social distancing expected to remain in place, along with the fear of stepping out in public places, the share of sales from e-commerce will increase significantly in the near term.

However, your Company presumes that during the festive seasons, the sale of footwear and accessories may see a boost. Your Company is also concentrating on sale of affordable footwear and accessories.

### (D) CORPORATE VALUES

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

- **Excellence**

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

- **Quality**

Your Company has always been recognized for its high quality product offerings. The testimony to success is its loyal consumer base spanning domestic markets.

- **Trust**

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

- **Legacy**

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

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

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

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

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

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

The management of your company is of the opinion that the company's contribution to the society should be the top priority of the company. Hence, the company has made contributions towards Tridhara Sammilani, Vivekananda Yoga Anusandhana Samsthana, All India Centre for Urban and Rural Development, APJ Abdul Kalam English Medium School, Purvanchal Janakalyan Samiti, Swanath Sukhay Charitable. The Institute of Social & Cultural Studies, Samaj Seva Bharti Paschimbanga and Sumangal. Also, the Corporate Social Responsibility committee formed by the Board is continuously looking forward for projects in which your company can make a contribution.

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

As on March 31, 2020, the company had 50 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.

## BUSINESS RESPONSIBILITY REPORT

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L67190WB1991PLC050656
2.	Name of the Company	Sreeleathers Ltd.
3.	Registered address	6, Tottee Lane, Kolkata - 700 016
4.	Website	www.sreeleathers.com
5.	E-mail id	sreeleathers@sreeleathers.com
6.	Financial Year reported	April 1, 2019 - March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Footwear Wholesale: NIC Code – 51312 Footwear Retail:: NIC Code -52323 Leather Goods & Accessories-NIC Code52324
8.	List three key products/services that the Company manufactures / provides (as in balance sheet)	Footwear & Accessories
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations	None
	b. Number of National Locations	The company has three operational business units, two in New Market area, Kolkata and other in panchavati area, Jaipur.
10.	Markets served by the Company	The Company has its retail presence mainly in the Metro city and Tier II city across India. 25 Nos. of Dealers' showrooms across India.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital:	Rs.2515.50 Lakh
2.	Total Turnover:	Rs.17304.83 Lakh
3.	Total profit after taxes:	Rs.2876.03 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 60.77 Lakh 2.11% of Profit after Tax (Please refer to Annexure A to Board's Report in Sl no 4 & 5)
5.	List of activities in which CSR expenditures have been incurred:	The details of CSR activities undertaken by the Company and CSR expenditures incurred thereon during the financial year 2019-20 by the Company have been provided in the Board's Report and also in Annual Report on CSR Activities, Annexure A to Board's Report.

### SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?	N.A.
3.	Do any other entity/entities (suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. The Company actively supports and encourages its suppliers and other stakeholders to participate in the BR initiatives of the Company.  At present, the Company does not have any established mechanism to ascertain the level of participation of the vendors, suppliers, distributors etc. in various BR initiatives of the Company. Hence, it is difficult to quantify the percentage of such entities for disclosure purposes.

## SECTION D: BR INFORMATION

### 1. Details of Director responsible for BR:

#### (a) Details of the Director responsible for implementation of the BR policies:

DIN 00569965  
Name Mr. Satyabrata Dey  
Designation Managing Director

#### (b) Details of the BR Head:

DIN 00569965  
Name Mr. Satyabrata Dey  
Designation Managing Director  
Telephone No. (033) 2286 1571  
E-mail Id sreeleathers@sreeleathers.com

### 2. Principle-wise (as per NVGs) BR policies

#### (a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder's Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relation
		P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies of the Company generally conform to the principles of the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs (MCA), Government of India.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The policies which are mandatorily required to be uploaded on the website of the Company have been uploaded on <a href="https://sreeleathers.co.in/policy">https://sreeleathers.co.in/policy</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?*	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* The company has an internal agency in preparation and implementation of respective Policies in order to adopt the best industry practices.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:**  
Not Applicable.



### 3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	A presentation is made before the Board of Directors on an annual basis.
b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	This is the first BR Report of the Company to be published on the website of the Company <a href="http://www.sreeleathers.com">www.sreeleathers.com</a> .

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 : BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company considers Corporate Governance as an integral part which leads to increase in operational efficiencies and sustained long term value creation for all the stakeholders. The Board of Directors of the Company has adopted a Code of Conduct and Business Ethics (along with Anti-Bribery and Anti-Corruption Directives). The Company has introduced a vigil mechanism system across all its functions and establishments through a Whistle Blower Policy as approved by the Board of Directors of the Company and has uploaded the Whistle Blower Policy on the website of the Company, i.e., <http://www.sreeleathers.com/Investor/Policy/WBP.pdf> The Code of Conduct is applicable to the Board of Directors and all employees of the Company. An annual affirmation on compliance and adherence to the Code of Conduct and Business Ethics is obtained from the Directors and Senior Managerial Personnel including Functional Heads. The Anti-Bribery and Anti-Corruption Directives and the Ethical View Reporting Policy also extends to the Company's business partners, e.g., suppliers, vendors, contractors, etc.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

In addition to the introduction of Whistle Blower Mechanism to enable all stakeholders to freely communicate their grievances, the Company has also implemented its Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended) and uploaded the same on the website of the Company, [www.sreeleathers.com](http://www.sreeleathers.com). The Company has also created an e-mail id: [sreeleathers@sreeleathers.com](mailto:sreeleathers@sreeleathers.com), to enable the Members / Investors of the Company to communicate their grievances directly.

The details of investor's complaints received and resolved during the year under review have been provided in the Corporate Governance Report which forms part of this Annual Report.

### PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

N.A.

#### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

N.A.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company encourages its employees to save the natural resources wherever possible.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

**If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes. The Company has established an internal mechanism for continual improvement process towards sustainable excellence and has taken adequate steps for safe transportation and optimization of logistics, which in turn is improving the Company's sourcing system, creating a safe work place and offering opportunities to our employees to excel and explore their potential and also mitigating the impact on climate. The use of appropriate mode of transportation is a continuous part of effective supply-chain mechanism and the Company's endeavor to reduce transport related environmental impact is an ongoing process.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. The Company has taken necessary steps to procure goods and services from the local and small producers surrounding and enhancing their capabilities for a sustainable growth. The Company always prefers to procure goods and services, e.g., Finished Goods Supplies, Security / Housekeeping / loading-unloading operations, etc. from nearby suitable source of supply.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Since we are not manufacturer, this is not applicable in our case.

**PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES**

**1. Please indicate the Total number of employees.**

132 Nos.

**2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

Out of the above 82 Nos. employee were hired on temporary/contractual/casual basis

**3. Please indicate the Number of permanent women employees.**

Nil

**4. Please indicate the Number of permanent employees with disabilities.**

Nil

**5. Do you have an employee association that is recognized by management.**

No.

**6. What percentage of your permanent employees are members of this recognized employee association?**

N.A.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No such case is lying pending.

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

All the employees were given training in phased manner.

**PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

**1. Has the Company mapped its internal and external stakeholders?**

The Company understands the requirements of its various stakeholders. However, the Company is in the process of formal mapping of its key internal and external stakeholders for a better understanding of their concerns and expectations.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Once the mapping is finalized, the Company will be able to identify its various categories of stakeholders and include them in the business process accordingly.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The CSR programmes of the Company has been designed in such a manner that it ensures benefits to the poor, needy, underprivileged, deserving and the socio-economic backward communities of the society at large.

**PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes. The Company's Code of Ethics covers the aspects of Human Rights and is made applicable to all stakeholders including its Suppliers and Contractors.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the year under review, no complaints relating to human rights violation were received by the Company.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures /Suppliers / Contractors / NGOs / others.**

The Company's Environment, Health & Safety (EHS) Policy extends to cover the Company and all its relevant Stakeholders, viz, Suppliers & Contractors.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.**

N.A.

**3. Does the Company identify and assess potential environmental risks? Y/N**

No

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No

**5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyper link for webpage etc.**

No

- 6 Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

N.A.

- 7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Company did not receive any show cause / legal notice from CPCB / SPCB during the financial year ended March 31, 2020 and no show cause / legal notice related to CPCB / SPCB are pending with the Company as on the end of the financial year.

**PRINCIPLE 7: BUSINESS WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

- 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

No

- 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

**PRINCIPLE 8: BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

- 1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

The Company has been involved with charities and a host of philanthropic and social activities. Recognizing communities and employees as the key success factors for business prosperity, the Company remains committed to their development. The CSR initiatives of the Company ensures its commitment to operate in an economically, socially and environmentally sustainable manner, in the best interest of all the stakeholders.

- 2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

The details have been provided in the "Annual Report on CSR Activities" as attached to the Board's Report.

- 3. Have you done any impact assessment of your initiative?**

The Company conducts periodic assessments for its projects under the CSR programmes. This includes baseline assessment and end-line surveys by the end of the project to assess the overall impact of the project. Continuous Monitoring and Evaluation (M & E) of the programmes take place throughout the year, which helps to improve the quality of the project and achieve maximum results to ensure benefits to the stakeholders.

- 4. What is your Company's direct contribution to community development projects and the details of the projects undertaken:**

During the financial year ended March 31, 2020, the Company has spent a total amount of Rs.60.77 lakhs towards various CSR projects. The details thereof have been provided in the "Annual Report on CSR Activities" as attached to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company believes in participatory approach while planning and implementing the community development initiatives. Before initiating a community development project, a comprehensive base line survey is conducted to identify the local needs, stakeholder commitments which also helps in creating a buy-in from the local communities. The Company's CSR projects at several locations are developed in consultation and participation with various stakeholders including the local communities.

**PRINCIPLE 9 : BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

During the year under review, the Company has ensured to address and resolve customer complaints / consumer cases amicably and has further strengthened its Customer Care Team and improvised the complaints redressal processes for speedy resolution of customer complaints. No consumer cases are pending as on the end of financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

All mandatory declarations as required under the Legal Metrology Act and the Rules made thereunder are duly displayed.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Yes, the Company has introduced a strong Customer Feedback Mechanism to capture feedback from customers on their shopping experience. Company is taking feedback from customers with regards to product quality, product launches, shopping preferences.

## INDEPENDENT AUDITORS' REPORT

To The Members of Sreeleathers Limited

### Report on the Audit of the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sreeleathers Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS as amended specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit ( including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act . Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to note 35 to the accompanying standalone financial statements, which describes the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements as at 31st March 2020, the impact of which is dependent on future developments. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Completeness, existence and accuracy of Revenue Recognition	
Key Audit Matters	How the matter was addressed in our audit
<p>The Company's major part of revenue relates to retail and wholesale sales which comprises of high volumes of small transactions recorded in the books through journals.</p> <p>Revenue from the sale of goods is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when control</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>a) Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to the recognition of revenue, including those related to the reconciliation of sales records to cash / credit card / online receipts, preparation, posting and approval of manual journal entries relating to revenue recognition.</p> <p>b) Testing the accuracy of retail revenue recorded during the year by examining that the sale of goods transactions are in</p>

Completeness, existence and accuracy of Revenue Recognition	
Key Audit Matters	How the matter was addressed in our audit
<p>over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>Since revenue comprises of high volumes of individually small transactions, the process of summarizing and recording sales revenue is critical with regard to the completeness, existence and accuracy of retail sales revenue.</p>	<p>agreement with the cash / credit card / online receipts and deposit of cash amounts recorded in daily cash reports with bank remittances, on sample basis.</p> <p>c) Testing whether the sales have been recorded in the correct period by selecting samples of reconciliation between sales transactions and cash / credit card / online and agreeing those reconciliations through supporting documentation.</p> <p>d) Obtaining reconciliation of retail sales as per books of account with the sales as per Indirect tax records and inquire about reasons for differences, if any.</p> <p>e) Performing an analysis of the manual journal entries passed during the year.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the, standalone financial statements and our auditor's report thereon.

Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity, and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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



- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and statement of changes in Equity dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone Ind AS financial Statement comply with the Indian Accounting Standards referred to in section 133 of the Companies Act, 2013.
- e. on the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- h. with respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
  - 1) The company has disclosed the impact of pending litigation, if any, on its financial position in its Standalone Ind AS financial statement.
  - 2) The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.
  - 4) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31st March 2020.

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

Madhaw Chanani  
Partner

Membership No. : 060624  
ICAI UDIN 20060624AAAAAK5375

Kolkata  
30th July, 2020

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

Statement referred to our report of even date to the Members of Sreeleathers Limited on the Ind AS financial statements for the year ended 31st March, 2020, 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. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The company has not granted loans, secured or unsecured to the companies, LLPs, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this para 3(iii) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. In our opinion and according to information and explanation given to us, the company has not accepted deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi. The Central Government has not prescribed for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the company.
- vii. (a) The company, as per information given, is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, duty of Customs, GST, cess and any other statutory dues applicable to it with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, GST, Duty of Customs, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Amount of Demand (in Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	27,61,843/-	A.Y. 2017-18	Commissioner of Income Tax (Appeal)
Central Excise Act	Excise Duty	93,20,010/-	F.Y. 2006-07 F.Y. 2007-08 F.Y. 2008-09 F.Y. 2009-10 F.Y. 2010-11 F.Y. 2011-12	Hon'ble Division Bench, High Court at Calcutta

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

- ix. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year. The Company has not raised moneys by way of public offer (including debt instruments). Accordingly, para 3(ix) of the order is not applicable.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standard.
- xiv. The Company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Madhaw Chanani  
Partner  
Membership No. : 060624  
ICAI UDIN 20060624AAAAAK5375

Kolkata  
30th July, 2020

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**ANNEXURE II TO INDEPENDENT AUDITORS' REPORT**

Statement referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Sreeleathers Limited on the standalone Ind AS financial statements for the year ended March 31, 2020.

**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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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

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

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Madhaw Chanani  
Partner  
Membership No. : 060624  
ICAI UDIN 20060624AAAAAK5375

Kolkata  
30th July, 2020

### Balance Sheet as at 31st March 2020

PARTICULARS	Notes	As at 31st March 2020	As at 31st March 2019
		₹	₹
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	1,488,817,390	1,497,896,556
(b) Intangible Assets	2	12,190,682	12,190,682
(c) Financial Assets			
(i) Investments	3	1,672,069,710	1,297,020,342
(ii) Other Financial Assets	4	1,790,425	2,780,533
(d) Other non-current assets	5	82,940	91,145
<b>Total Non-Current Assets</b>		<b>3,174,951,147</b>	<b>2,809,979,258</b>
<b>(2) Current assets</b>			
(a) Inventories	6	143,764,173	143,602,017
(b) Financial Assets			
(i) Trade and other receivables	7	6,980,042	2,535,154
(ii) Cash and cash equivalents	8A	53,529	2,600,576
(iii) Other Bank Balances	8B	46,114,447	67,617,498
(iv) Other Current Financial Assets	9	2,766,238	2,429,011
(c) Income Tax Assets(Net)	10	106,513,944	137,335,478
(d) Other current assets	11	2,395	8,370
<b>Total Current Assets</b>		<b>306,194,768</b>	<b>356,128,104</b>
<b>TOTAL ASSETS</b>		<b>3,481,145,915</b>	<b>3,166,107,362</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	14	251,550,120	251,550,120
(b) Other Equity	15	2,986,006,074	2,642,403,183
<b>Total Equity</b>		<b>3,237,556,194</b>	<b>2,893,953,303</b>
<b>(2) Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liability</b>			
(i) Other Non-current Financial Liabilities	16	12,306,381	12,306,381
(ii) Deferred Tax Liability (Net)	12 B	28,361,561	25,405,079
<b>Total Non Current Liabilities</b>		<b>40,667,942</b>	<b>37,711,460</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade Paybles			
Total outstanding dues of Micro and Small Enterprises	17	28,545,082	20,002,443
Total outstanding dues of Creditors other than Micro and Small Enterprises	17	45,926,132	50,351,459
(ii) Borrowings ( Unsecured )	18	1,438,292	11,897,131
(iii) Other Financial Liabilities	19	17,621,719	13,526,333
(b) Provisions	20	107,241,298	136,180,198
(c) Other current liabilities	21	2,149,256	2,485,035
<b>Total Current Liabilities</b>		<b>202,921,779</b>	<b>234,442,599</b>
<b>Total Equity and liabilities</b>		<b>3,481,145,915</b>	<b>3,166,107,362</b>

Significant accounting policies

1

See accompanying notes to financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

(CA Madhav Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th July, 2020

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

**K. D. SARKAR**  
(Director)  
(DIN : 08200786)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

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

Statement of Profit and Loss for the year ended 31st March 2020

PARTICULARS		Notes	Year ended 31st March 2020	Year ended 31st March 2019
			₹	₹
I	Revenue From Operations	22	1,730,483,001	1,676,588,577
II	Other Income	23	3,199,501	4,370,158
<b>III</b>	<b>Total Income (I+II)</b>		<b>1,733,682,502</b>	<b>1,680,958,735</b>
<b>IV</b>	<b>Expenses :</b>			
	Purchase of Stock in Trade	25	1,217,916,783	1,233,691,384
	Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	26	(162,156)	(37,698,836)
	Employee Benefit Expenses	27	51,874,061	35,554,938
	Finance costs	28	897,185	1,261,649
	Depreciation and amortisation expenses	2	10,051,969	11,781,838
	Other expenses	29	62,162,195	68,822,174
	<b>Total expenses (IV)</b>		<b>1,342,740,037</b>	<b>1,313,413,147</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>390,942,465</b>	<b>367,545,588</b>
VI	Exceptional Items	24	-	74,501,113
<b>VII</b>	<b>Profit/(loss) before tax (V+VI)</b>		<b>390,942,465</b>	<b>442,046,701</b>
<b>VIII</b>	<b>Tax expenses:</b>			
	Current tax	30	104,160,734	133,377,968
	Deferred tax	30	(1,625,520)	(2,225,684)
	Tax expenses for earlier years	30	805,743	84,261
<b>IX</b>	<b>Profit (Loss) for the period</b>		<b>287,601,508</b>	<b>310,810,156</b>
<b>X</b>	<b>Other comprehensive income</b>			
	A) Items that will not be reclassified to profit or loss			
	Investment in Equity Instruments through other comprehensive income		100,213,429	71,413,613
	Measurement of defined employee benefit plans		513,877	
	Income Tax relating to above items		(17,789,831)	(10,272,003)
	B) Items that will be reclassified to profit or loss		-	-
<b>XI</b>	<b>Total Other Comprehensive Income</b>		<b>82,937,475</b>	<b>61,141,610</b>
<b>XII</b>	<b>Total Comprehensive Income for the period (IX+XI)</b>		<b>370,538,983</b>	<b>371,951,766</b>
<b>XII</b>	<b>Earnings per equity share (for continuing operation):</b>			
	(1) Basic	31	11.43	12.36
	(2) Diluted	31	11.43	12.36
	<b>Significant Accounting Policies</b>	<b>1</b>		

See accompanying notes to financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th July, 2020

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

**K. D. SARKAR**  
(Director)  
(DIN : 08200786)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

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

## Statement of Change in Equity for the year ended 31st March 2020

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

	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2019	251,550,120	-	251,550,120
For the year ended 31st March, 2020	251,550,120	-	251,550,120

**(b) Other Equity** **(Rs.)**

	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	Equity Instruments through Other Comprehensive Income	Re-measurement of defined benefit plan	
<b>Balance as at 1st April, 2018</b>	<b>1,407,742,545</b>	<b>758,964,473</b>	<b>132,325,163</b>	-	<b>2,299,032,181</b>
Profit for the year	-	310,810,156		-	310,810,156
Other Comprehensive Income (net of tax)	-		61,141,610	-	61,141,610
Add: Adjustment of Last year TDS		1,409			1,409
Add: Realised profit on sale of Investment		20,835,361			20,835,361
Less: Adjustment of Deferred Tax on last year OCI			28,582,172		28,582,172
Less: Realised profit on sale of Investment			20,835,361		20,835,361
Total Comprehensive Income for the year	-	331,646,926	11,724,077	-	343,371,003
<b>Balance as at 31st March, 2019</b>	<b>1,407,742,545</b>	<b>1,090,611,399</b>	<b>144,049,240</b>	-	<b>2,642,403,184</b>
<b>Balance as at 1st April, 2019</b>	<b>1,407,742,545</b>	<b>1,090,611,399</b>	<b>144,049,240</b>	-	<b>2,642,403,184</b>
Profit for the year	-	287,601,508		-	287,601,508
Add: Other Comprehensive Income (net of tax)	-		82,937,475	-	82,937,475
Add: Adjustment of Last year TDS		2,375			2,375
Add: Realised profit on sale of Investment		5,210,259	-		5,210,259
Less: Other Comprehensive Income on sale of Investment			32,148,727		32,148,727
Total Comprehensive Income for the year	-	292,814,142	50,788,748	-	343,602,890
<b>Balance as at 31st March, 2020</b>	<b>1,407,742,545</b>	<b>1,383,425,541</b>	<b>194,837,988</b>	-	<b>2,986,006,074</b>

See accompanying notes to financial statements

- Security Premium Account** : This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings** : This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Other Comprehensive Income** : Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

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

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

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th July, 2020

<b>SATYABRATA DEY</b> (Managing Director) (DIN : 00569965)	<b>K. D. SARKAR</b> (Director) (DIN : 08200786)	<b>SUJAY BHATTACHERJEE</b> (Chief Financial Officer)	<b>B. K. ROY</b> (Company Secretary)
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### CASH FLOW STATEMENT

Sl. Particulars	Year Ended 31st March 2020		Year Ended 31st March 2019	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit (Loss) Before Tax		390,942,465		442,046,701
Adjustment For :				
<b>Add:</b>				
Depreciation	10,051,969		11,781,838	
Finance Cost	695,940		1,261,649	
Provision For Gratuity	758,984		-	13,043,487
Loss on Sale of Fixed Assets	7,652	11,514,545		
<b>Less:</b>				
Interest Income	2,693,817		2,553,481	
Rent Received	4,647		4,097	
Profit on Sale of Property	-		74,501,113	
Profit on sale of Investment	58,523		-	
Earlier Year Tax	-	2,756,987	84,261	77,142,952
Operating Profit before Working Capital Changes		<b>399,700,023</b>		<b>377,947,236</b>
<u>Adjustment To:</u>				
Stock in Trade	(162,156)		(37,698,835)	
Trade Receivables	(4,444,888)		1,820,458	
Other current Financial Assets	(337,227)		33,062,642	
Borrowings	(10,458,839)		891,459	
Trade Payables	4,117,312		28,157,069	
Other Financial Liabilities	4,095,386		(135,338,052)	
Provisions	34,000		21,446,373	
Other current Liabilities	(335,819)	(7,492,231)	(2,029,674)	(89,688,560)
Cash Generate from Operations		392,207,792		288,258,676
Tax Paid including interest thereon		(103,410,624)		(133,377,967)
Net Cash Generated from/ (Used in) Operating Activities		<b>288,797,168</b>		<b>154,880,709</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Rent Received	4,647		4,547	
Interest Income	2,693,817		2,553,480	
Sale of Fixed Asset	10,000		126,591,620	
Purchase of Fixed Assets	(990,455)			
Investment In Mutual Fund	(315,000,000)		(455,664,639)	
Redemption of Mutual Fund	76,288			
Loss on sale of WIP	-		(4,761,585)	
Decrease or (Increase) In Fixed Deposits	(30,042,046)		9,790,909	
Net Cash Generated From/ (Used In) Investing Activities		<b>(343,247,749)</b>		<b>(321,485,668)</b>

### CASH FLOW STATEMENT (Contd.)

Sl. Particulars	Year Ended 31st March 2020		Year Ended 31st March 2019	
	₹	₹	₹	₹
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Adjustment of Last year TDS	-		1,409	
Finance Cost	(695,940)		(1,261,649)	
Other Financial Assets	990,108		(26,234)	
Other Non Current Assets	8,205		8,250	
Income Tax Refund	50,091		-	
Income Tax Assets Net	-		(14,170,975)	
Other current assets	5,975		-	
Net Cash Generaed From/ (Used In) Financing Activities		<b>358,439</b>		<b>(15,449,199)</b>
Net Increase/(Decrease) in cash and cash Equivalent	( A + B + C )	<b>(54,092,142)</b>	( A + B + C )	<b>(182,054,158)</b>
Cash and Cash Equivalents ( Opening Balance )		57,771,751		239,825,909
Cash and Cash Equivalents ( Closing Balance )		<b>3,679,609</b>		<b>57,771,751</b>
<b>Cash and Cash Equivalents Comprises of:</b>				
Cash & Cheque in Hand		53,529		2,600,574
Balance with Schedule banks		3,626,080		55,171,177

See accompanying notes to financial statements

- NOTES :**
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS) 7 on Statement of Cash Flows.
  - Figure in brackets represent cash outflow from respective activities.
  - Cash & cash Equivalents do not include any amount which is not available to the Company for its use.
  - As breakup of Cash & cash equivalents is also available in Note No. 8, reconciliaton of items of Cash & cash equivalents as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached

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

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th July, 2020

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

**K. D. SARKAR**  
(Director)  
(DIN : 08200786)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

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

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

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

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

**b. Classification of assets and liabilities as current and noncurrent**

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities.

**c. Revenue Recognition**

Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from related party is recognised based on transaction price which is at arm's length.

Use of significant judgments in revenue recognition :-

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgments to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

## NOTES TO FINANCIAL STATEMENTS

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

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

#### d. Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

#### e. Goodwill

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

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

#### f. Property, plant and Equipments

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

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

Useful life considered for calculation of depreciation for various assets class are as follows:

Sr No	Particulars	Useful Life ( in years)
1	Building	60
2	Airconditioner/Refrigerator/Security system	15
3	Office equipment/mobile phone/water cooler	5
4	Furniture Fixture/Electrical Installation/television	10
5	Motor Vehicle	8
6	Computer	3
7	Elevator/camera/fire alarm system	15

#### g. Inventories

Inventories are valued as under:

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

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

**NOTES TO FINANCIAL STATEMENTS****NOTE I : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)****h. Financial instruments****1. Initial recognition**

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

**2. Subsequent measurement****a. Non-derivative financial instruments****i) Financial assets carried at amortised cost**

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

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

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

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

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

**iv) Financial liabilities**

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

**v) Investment in subsidiaries**

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

**b. Derivative financial instruments**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS****NOTE I : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)****3. De-recognition of financial instruments**

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

**Impairment of Assets****a. Financial assets**

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

**b. Non-financial assets****Property, plant and equipment**

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

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

**c. Income Taxes**

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

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

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

**NOTES TO FINANCIAL STATEMENTS****NOTE I : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)****d. Provisions, Contingent Liabilities and Contingent Assets**

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

**e. Investments**

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

**f. Foreign Exchange Transactions****i. Initial Recognition**

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

**ii. Conversion Foreign**

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

**iii. Exchange differences**

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

**g. Leases**

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

**i. Earnings per equity share**

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

**j. Cash Flow Statements**

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

**k. Employee benefits****a. Short Term Employment Benefits**

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

**b. Post-Employment Benefits**

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

**NOTES TO FINANCIAL STATEMENTS****NOTE I : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

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

**I. Government Grants**

Export benefits in the form of Duty Drawback, Duty Entitlement Pass Book (DEPB) and other schemes are recognized in the Statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**m. Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a. Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**(i) Contingent liabilities**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**(ii) Revenue recognition**

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

**b. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.



### NOTES TO FINANCIAL STATEMENTS

#### NOTE 2 : PROPERTY, PLANT & EQUIPMENT

(in ₹)

Description	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
	As at 01.04.2019	Additions	Deductions	As at 31.03.2020	As at 01.04.2019	Excess Depn	For the Year	Deductions	As at 31.03.2020	As at 31.03.2019
<b>A. Tangible Assets</b>										
Land	1,177,625,000	-	-	1,177,625,000	-	-	-	-	1,177,625,000	1,177,625,000
Building	366,771,771	-	-	366,771,771	59,007,970	-	5,788,504	-	301,975,297	307,763,801
Refrigerator	57,500	-	-	57,500	17,362	-	3,640	-	21,002	36,498
Office Equipment	65,490	-	-	65,490	34,492	-	11,172	-	45,664	19,826
Electrical Installation	1,274,251	-	-	1,274,251	788,410	-	112,973	-	901,383	372,868
Air Conditioner	2,518,169	-	-	2,518,169	1,336,268	-	172,054	-	1,508,322	1,181,901
Furniture & Fixture	38,092,335	367,857	-	38,460,192	29,861,518	-	3,062,518	-	32,924,036	8,230,816
Television	170,000	199,219	-	369,219	112,312	-	20,345	-	132,657	57,688
Computer	3,872,386	122,869	-	3,995,255	2,734,024	-	638,979	-	3,373,003	1,138,362
Motor Vehicle	1,090,637	-	353,031	737,606	973,337	-	28,100	335,379	666,058	117,299
Goodwill	12,190,682	-	-	12,190,682	-	-	-	-	12,190,682	12,190,682
Elevator	1,110,000	-	-	1,110,000	618,310	-	77,614	-	695,924	491,690
Fire Alarm System	975,000	-	-	975,000	549,614	-	61,793	-	611,407	425,386
Mobile Phone	421,980	-	-	421,980	291,692	-	46,514	-	338,206	130,289
Camera	77,144	253,337	-	330,481	22,236	-	7,025	-	29,261	54,908
CCTV Camera	78,104	-	-	78,104	34,393	-	5,640	-	40,033	43,711
Security System	148,877	47,173	-	196,050	71,514	-	15,098	-	86,612	77,363
Water Cooler	27,280	-	-	27,280	25,916	-	-	-	25,916	1,364
<b>TOTAL</b>	<b>1,606,566,606</b>	<b>990,455</b>	<b>353,031</b>	<b>1,607,204,030</b>	<b>96,479,368</b>	<b>-</b>	<b>10,051,969</b>	<b>335,379</b>	<b>106,195,958</b>	<b>1,510,087,238</b>
<b>Previous Year</b>	<b>1,659,304,715</b>	<b>911,767</b>	<b>53,649,878</b>	<b>1,606,566,604</b>	<b>90,106,718</b>	<b>-</b>	<b>11,781,838</b>	<b>5,409,190</b>	<b>96,479,365</b>	<b>1,569,197,998</b>

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 3 : INVESTMENTS

Particulars	As at 31st March 2020		As at 31st March 2019	
	Unit	Amount	Unit	Amount
Non-current investments				
<b>A. Investment in Equity Shares:</b>				
Unquoted:				
Shoeline Trading Pvt Ltd. (F.V. Rs 10)	90,000.00	1,552,267	90,000.00	1,571,104
<b>Total</b>		<b>1,552,267</b>		<b>1,571,104</b>
<b>B. Investment In Mutual Fund:</b>				
<b>(i) Investment in Mutual Fund (Main Portfolio)</b>	<b>Unit</b>	<b>Amount</b>	<b>Unit</b>	<b>Amount</b>
Sundram Medium Term Bond Fund (Units of Rs.10 each)	188,383.0460	10,366,154	188,383.0460	9,708,471
ICICI Pru - Banking and PSU Debt Fund - Growth (Units of Rs. 10 each)	181,937.7320	4,214,096	181,937.7320	3,861,592
ICICI Pru - Credit Risk Fund- Growth (Units of Rs.10 each)	10,789,894.8260	234,656,475	10,789,894.8260	214,379,025
ICICI Pru - Balance Advantage Fund- Growth (Units of Rs. 10 each)	444,975.2670	13,602,894	444,975.2670	15,725,426
ICICI Pru. Medium Term Bond Fund-Growth (Units of Rs. 10 each)	1,512,024.4380	47,353,581	1,512,024.4380	43,015,583
ICICI Prudential Medium Term Bond Fund -Direct Plan Growth (Units of Rs.10 each)	1,578,207.9510	52,416,705	1,099,263.2720	32,969,654
ICICI Pru. Bond Fund- Direct Plan Growth (Units of Rs.10 each)	703,254.6630	20,746,224	703,254.6630	18,580,621
ICICI Pru. Corporate Bond Fund Direct Plan - Growth (Units of Rs.10 each)	1,072,662.1330	23,073,070	1,072,662.1330	21,095,724
ICICI Pru. Short Term Fund Direct Plan - Growth (Units of Rs.10 each)	260,631.1440	11,563,187	260,631.1440	10,515,085
ICICI Pru. Floating Interest Fund Direct Plan - Growth (Units of Rs.100 each)	70,328.6810	22,247,817	70,328.6810	20,463,747
ICICI Pru.All Seasons Bond Fund-Direct Plan Growth (Units of Rs.10 each)	544,463.6220	14,516,652	544,463.6220	12,998,252
ICICI Pru - Credit Risk Fund-Direct Plan-Growth (Units of Rs. 10 each)	15,189,276.6870	351,602,896	15,189,276.6870	319,444,159
ICICI Prudential Corporate Bond Fund - Direct Plan- Growth (Units of Rs. 10 each)	499,153.9340	10,736,851	-	-
ICICI Prudential Floting Interest Fund - Direct Plan- Growth (Units of Rs. 10 each)	64,142.0160	20,290,724	-	-
ICICI Prudential short term Fund - Direct Plan- Growth ( Units of Rs. 10 each)	243,140.9930	10,787,218	-	-
Nippon India Credit Risk Fund Growth Plan Growth Option (Units of Rs.10 each)	464,800.8050	10,630,785	464,800.8050	11,981,728
Nippan India Prime Debt Fund- Direct Plan Growth Plan Growth Option (Units of Rs.10 each)	2,496,486.8690	108,360,512	1,895,674.9920	76,044,813
Nippan India Statigic Debt Fund -Direct Growth Plan (Units of Rs. 10 each)	-	-	6,549,341.1470	100,564,478
Nippon India Credit Risk Fund Direct Growth Plan Growth Option(Units of Rs.10 each)	-	-	5,836,317.7360	158,722,164
Nippon India Ultra Short Duration Fund Direct Growth Plan (units of Rs.1000 each)	-	-	6,906.2920	21,106,933
Nippon India Floating Rate Fund- Direct Growth Plan(Units of Rs.10 each)	5,312,105.7900	174,671,600	338,530.9110	10,195,299
Nippan India Prime debt fund direct Plan Growth (Units of Rs. 10 each)	478,373.9110	20,763,915	-	-
Nipon India Banking & PSU Debt Fund (Units of Rs. 10 each)	7,914,563.6430	119,246,356	-	-
Nippan India Floting Rate Fund Direct Growth Plan (Units of Rs. 10 each)	314,700.9400	10,347,933	-	-
Birla Sunlife Corporate Bond Fund-Growth Direct Plan(Units of Rs.10 each)	146,801.2740	11,580,272	146,801.2740	10,593,973
Birla Sunlife Credit Risk Fund-Gr. Direct(Units of Rs. 13.75)	-	-	2,000,204.9720	28,413,912
Birla Sunlife Medium Term Plan-Growth -Direct plan(Units of Rs.10 each)	-	-	844,591.0380	20,049,071
Birla Sunlife Short Term opportunities Fund-Growth Direct(Units of Rs.10 each)	4,565,616.4930	158,181,719	2,342,617.8550	75,112,996
Birla sunlife Banking & PSU debt Fund-Growth- Direct Plan (Units of Rs. 10 each)	183,437.1100	48,875,094	-	-
HDFC Corporate Bond Fund-Direct Plan -Growth Option (Units of Rs.10 each)	1,686,195.6960	38,923,467	1,013,540.9070	21,219,188
HDFC Short Term Debt Fund- Direct Plan- Growth Option (Units of Rs.10 each)	2,815,481.2160	64,441,579	1,857,218.3550	38,687,344
HDFC Medium Term Debt Fund Direct Plan- Growth Option (Units of Rs.10 each)	1,250,313.1650	52,642,685	-	-

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 : INVESTMENTS (Contd.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Unit	Amount	Unit	Amount
Non-current investments				
<b>B. Investment In Mutual Fund: (Contd.)</b>				
<b>(ii) Investment in Mutual Fund (Segregated Portfolio)</b>				
Nippon India Ultra Short Duration Fund Direct Growth Plan	6,906.292	238,141		
Birla Sunlife Corporate Bond Fund-Growth Direct Plan	2,000,204.972	867,289		
Birla Sunlife Credit Risk Fund-Gr. Direct	844,591.038	1,227,360		
Nippon India Strategic Debt Fund- Seg. Port-1	6,549,341.147	362,834		
Nippon India Strategic Debt Fund- Seg. Port-2	6,549,341.147	-		
Nippon India Credit Risk Fund- Seg. Port-1	5,836,317.736	912,800		
Nippon India Credit Risk Fund- Seg. Port-2	5,836,317.736	-		
Nippon India Credit Risk Fund- Seg. Port-1	464,800.805	68,558		
Nippon India Credit Risk Fund- Seg. Port-2	464,800.805	-		
<b>Total</b>		<b>1,670,517,443</b>		<b>1,295,449,238</b>
<b>Total(A+B)</b>		<b>1,672,069,710</b>		<b>1,297,020,342</b>

### Fair Value Measurement

#### Financial Instruments by Category and hierarchy

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

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

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

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

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 3 : INVESTMENTS (Contd.)

(in ₹)

	Fair Value Through Profit and Loss		Fair Value Through Other Comprehensive Income			Carried at Amortised cost			Total Amount
	Total	Current	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>Financial Assets and Liabilities as at 31st March, 2020</b>									
<b>Financial Assets</b>									
Investments	1,552,267	-	-	1,552,267	-	-	-	-	1,552,267
Unquoted Equity Instruments	1,670,517,443	-	-	1,670,517,443	-	-	-	-	1,670,517,443
Investment in Mutual Fund	1,672,069,710	-	-	1,672,069,710	-	-	-	-	1,672,069,710
<b>Other Financial Assets</b>									
Security Deposits	1,790,425	-	-	-	-	-	-	1,790,425	1,790,425
Trade Receivables	6,980,042	6,980,042	-	-	-	-	-	6,980,042	6,980,042
Cash & Cash Equivalent	53,529	53,529	-	-	-	-	-	53,529	53,529
Other Bank Balance	46,114,447	46,114,447	-	-	-	-	-	46,114,447	46,114,447
<b>Other Financial Assets</b>	<b>1,790,425</b>	<b>2,766,238</b>	<b>55,914,256</b>	<b>2,766,238</b>	<b>57,704,681</b>	<b>57,704,681</b>	<b>2,766,238</b>	<b>57,704,681</b>	<b>57,704,681</b>
<b>Financial Liabilities</b>									
<b>Other Financial Liabilities</b>									
Security Deposit from agents	12,150,000	-	-	-	-	-	-	12,150,000	12,150,000
Security Deposits (Construction)	20,183	-	-	-	-	-	-	20,183	20,183
Refundable Retainership Money	79,308	-	-	-	-	-	-	79,308	79,308
Uncleared Cheques of CRB Capital Market	56,890	-	-	-	-	-	-	56,890	56,890
Deferred Tax Liability (Net)	28,361,561	-	-	-	-	-	-	28,361,561	28,361,561
Trade Payable	-	74,471,214	-	-	-	-	-	74,471,214	74,471,214
Borrowing	-	1,438,292	-	-	-	-	-	1,438,292	1,438,292
<b>Other Financial Liabilities</b>	<b>40,667,942</b>	<b>93,531,225</b>	<b>17,621,719</b>	<b>17,621,719</b>	<b>134,199,167</b>	<b>134,199,167</b>	<b>17,621,719</b>	<b>134,199,167</b>	<b>134,199,167</b>

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 3 : INVESTMENTS (Contd.)

(in ₹)

	Fair Value Through Profit and Loss		Fair Value Through Other Comprehensive Income			Carried at Amortised cost			Total
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	
<b>Financial Assets and Liabilities as at 31st March 2019</b>									
<b>Financial Assets</b>									
<b>Investments</b>									
Unquoted Equity Instruments	1,571,104	-	-	-	1,571,104	-	-	-	1,571,104
Investment in Mutual Fund	1,295,449,238	-	-	-	1,295,449,238	-	-	-	1,295,449,238
	<b>1,297,020,342</b>				<b>1,297,020,342</b>				<b>1,297,020,342</b>
<b>Other Financial Assets</b>									
Security Deposits	2,780,533	-	-	-	-	-	-	2,780,533	2,780,533
Trade Receivables	-	2,535,154	-	-	-	-	-	2,535,154	2,535,154
Cash & Cash Equivalent	-	2,600,576	-	-	-	-	-	2,600,576	2,600,576
Other Bank balance	-	67,617,498	-	-	-	-	-	67,617,498	67,617,498
Other Financial Assets	-	2,429,011	-	-	-	-	-	2,429,011	2,429,011
	<b>2,780,533</b>	<b>75,182,239</b>						<b>77,962,772</b>	<b>77,962,772</b>
<b>Financial Liabilities</b>									
<b>Other Financial Liabilities</b>									
Security Deposit from agents	12,150,000	-	-	-	-	-	-	12,150,000	12,150,000
Security Deposits (Construction)	20,183	-	-	-	-	-	-	20,183	20,183
Refundable Retainership Money	79,308	-	-	-	-	-	-	79,308	79,308
Uncleared Cheques of CRB Capital Market	56,890	-	-	-	-	-	-	56,890	56,890
Deferred Tax Liability (Net)	25,405,079	-	-	-	-	-	-	25,405,079	25,405,079
Trade Payable	-	70,353,902	-	-	-	-	-	70,353,902	70,353,902
Borrowing	-	11,897,131	-	-	-	-	-	11,897,131	11,897,131
Other Financial Liabilities	-	13,526,333	-	-	-	-	-	13,526,333	13,526,333
	<b>37,711,460</b>	<b>95,777,366</b>						<b>133,488,826</b>	<b>133,488,826</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE 3 : INVESTMENTS (Contd.)

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

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

**B) Market Risk**

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

- (i) **Interest rate risk** -is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company have some fixed rate unsecured borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.
- (ii) **Foreign currency risk**- is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not have any foreign exchange transactions or any derivative instruments for trading or speculative purposes. So foreign currency risk is zero.
- (iii) **Other price risk**- is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in mutual funds ,bonds ,equity instruments etc. The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTOCI. As at 31st March, 2020, the carrying value of mutual funds recognised at FVTOCI amounts to Rs.167.20 crores (Previous year Rs.129.54 crores).

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

If the equity prices had been higher/lower by 5% from the market prices existing as at 31st March, 2020, Other Comprehensive Income for the year ended 31st March, 2020 would increase/decrease by 836.03 Lakhs (2018-19 647.72 lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2020. 5% represents management's assessment of reasonably possible change in equity prices as the company has basically invested in Debt oriented Mutual Funds.

**C) Credit Risk**

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 : INVESTMENTS (Contd.)

#### (D) Liquidity risk

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

The company is exposed to liquidity risk as there are outstanding related to trade and other payables. The company measures risk by forecasting cash flows.

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

Maturity patterns of borrowings	0-1 Years	Between 1 to 5 Year	Over 5 Year	Total
Short term borrowings	1,438,292	-	-	-
Maturity patterns of other Financial Liabilities As at 31st March 2020	0-3 months	3-6 months	6 -12 months	Beyond 12 months
Trade Payable	-	74,471,214	-	-
Other Financial liability (Current and Non Current)	-	17,621,719	-	12,306,381
Maturity patterns of other Financial Liabilities As at 31st March 2019	0-3 months	3-6 months	6-12 months	Beyond 12 months
Trade Payable	-	70,353,902	-	-
Other Financial liability (Current and Non Current)	-	13,526,333	-	12,306,381

#### 2. Capital Management

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

Particulars	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>NOTE 4 : OTHER NON CURRENT FINANCIAL ASSETS</b>		
Security Deposit	1,790,425	2,780,533
<b>Total</b>	<b>1,790,425</b>	<b>2,780,533</b>
<b>NOTE 5 : OTHER NON CURRENT ASSETS</b>		
Deferred Revenue Expenditure	82,940	91,145
<b>Total</b>	<b>82,940</b>	<b>91,145</b>
<b>NOTE 6 : INVENTORIES</b>		
Stock In Trade	143,171,600	142,766,517
Goods In Transit	592,573	835,500
<b>Total</b>	<b>143,764,173</b>	<b>143,602,017</b>
<b>NOTE 7 : TRADE RECEIVABLES</b>		
Trade Receivables (Unsecured considered good)		
- For more than 6 Months	2,053,915	2,053,915
- Other	19,315	481,239
Trade Receivable from Related Parties-Unsecured, Cosidered Good (Refer Note 36)	4,906,812	-
<b>Total</b>	<b>6,980,042</b>	<b>2,535,154</b>

### NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>NOTE 8 : CASH AND BANK BALANCES</b>		
<b>A. Cash and Cash Equivalents</b>		
Cash in Hand	53,529	2,600,576
<b>Total</b>	<b>53,529</b>	<b>2,600,576</b>
<b>B. Other Bank Balances</b>		
a) In Current Accounts	3,490,899	55,049,377
b) In deposit Account (realisable within 12 months)	33,168,357	3,126,311
c) In deposit Account(Earmarked for Central Excise)	9,320,010	9,320,010
d) Balance in unpaid Dividend Account	135,181	121,800
<b>Total</b>	<b>46,114,447</b>	<b>67,617,498</b>
<b>NOTE 9 : OTHER CURRENT FINANCIAL ASSETS</b>		
<b>Current Loans &amp; Advances</b>		
FDR with Bank for Bank guarantee	151,315	151,315
Advance to Suppliers	2,209	88,981
Other Advance	2,319,556	905,015
Interest Receivable from FD	272,300	117,894
Interest Receivable from others	20,858.00	21,921
Security deposits	-	955,271
Deposit(Assets)	-	188,614
<b>Total</b>	<b>2,766,238</b>	<b>2,429,011</b>
<b>NOTE 10 : INCOME TAX ASSETS (NET)</b>		
Income Tax Refundable	9,992,302	10,042,393
Tax Deducted at Source	269,272	1,793,085
Income Tax Advance	95,700,000	125,500,000
Tax Payment on Demand (A.Y 2017-18)	552,370	-
<b>Total</b>	<b>106,513,944</b>	<b>137,335,478</b>
<b>NOTE 11 : OTHER CURRENT ASSETS</b>		
Miscellaneous Receivable	2,395	8,370
<b>Total</b>	<b>2,395</b>	<b>8,370</b>
<b>NOTE 12 : NON-CURRENT DEFERRED TAX ASSETS (NET)</b>		
<b>A. Income tax expense in the statement of profit and loss comprises</b>		
<b>Current Tax</b>		
Current Tax on Taxable income for the year	104,160,734	133,377,968
Adjustment Of Tax in respect of previous year	805,743	84,261
Deferred tax:		
In respect of current year	(1,625,520)	(2,225,684)
<b>Income tax expenses recognised in the Statement of Profit and Loss</b>	<b>103,340,957</b>	<b>131,236,545</b>
<b>Income tax expenses recognised in OCI</b>		
Deferred Tax :		
Deferred tax Expenses/(Benefit) on net fair value gain on investment in equity instrument through OCI	17,658,176	10,272,003
Deferred tax Expenses/(Benefit) on measurement of defined employee benefits plans OCI current year	131,655	
<b>Total deferred Income Tax Expenses/(Benefit)</b>	<b>17,789,831</b>	<b>10,272,003</b>
<b>Total Income tax expenses</b>	<b>121,130,788</b>	<b>141,508,548</b>



## NOTES TO FINANCIAL STATEMENTS

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
<b>NOTE 12 : NON-CURRENT DEFERRED TAX ASSETS (NET) (CONTD.)</b>		
<b>B. The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:</b>		
Deferred Tax Liability- Opening Balance	25,405,079	(11,223,413)
Timing Difference		
Depreciation Difference	(1,625,520)	(2,225,684)
Deferred tax Expenses/(Benefit) on net fair value gain on investment in equity instrument through OCI current year	17,658,176	10,272,003
Deferred tax Expenses/(Benefit) on net fair value gain on investment in equity instrument Sold during the year	(13,207,829)	28,582,173
Deferred tax Expenses/(Benefit) on measurement of defined employee benefits plans OCI current year	131,655	
<b>Deferred Tax Liability (Net) - Closing Balance</b>	<b>28,361,561</b>	<b>25,405,079</b>

## NOTE 13 : RECONCILIATION OF EFFECTIVE TAX RATE

<b>Profit Before Tax</b>	<b>390,942,465</b>	<b>442,046,701</b>
Tax using Domestic tax Rate	25.62	29.12
Tax effect on non deductible expenses	0.46	0.38
Short Term Capital Gain Mutual Fund	0.25	0.35
Long Term Capital Gain Mutual Fund	-	0.36
Tax effect on Fixed Assets Sold	-	(0.46)
Tax effect on CSR Expenses	(0.10)	(0.09)
Total	26.23	29.66
Adjustment in respect of previous year income tax	0.02	0.02
<b>Effective Tax rate</b>	<b>26.25</b>	<b>29.68</b>

## NOTE 14 : EQUITY

### EQUITY SHARE CAPITAL

#### Authorized

26000000 Equity Shares of Rs. 10 each	260,000,000	260,000,000
<b>Total</b>	<b>260,000,000</b>	<b>260,000,000</b>

#### Issued, Subscribed and Paid-Up

25155012 equity shares of Rs.10/- each fully paid	251,550,120	251,550,120
<b>Total</b>	<b>251,550,120</b>	<b>251,550,120</b>

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Reconciliation of shares outstanding at the beginning and at the end of the year</b>				
Fully paid equity shares				
At the beginning of the year	25155012	251,550,120	25155012	251,550,120
Issued during the year	-	-	-	-
At the end of the year	25155012	251,550,120	25155012	251,550,120

#### Terms / rights attached to equity shares:

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

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% held	No. of Shares	% held
<b>NOTE 14 : EQUITY (Contd.)</b>				
The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 are set out below :				
Easel Advertising Private Limited	3,239,500	12.88	3,239,500	12.88
Panchavati Tie-up Private Limited	5,024,666	19.98	5,024,666	19.97
Satya Brata Dey	4,491,154	17.85	4,491,154	17.85
<b>NOTE 15 : OTHER EQUITY</b>				
<b>Securities Premium</b>				
			₹	₹
			1,407,742,545	1,407,742,545
			<b>1,407,742,545</b>	<b>1,407,742,545</b>
<b>Surplus in Profit &amp; Loss Statement</b>				
Balance at the beginning of the year			1,234,660,638	891,289,636
Profit/ (loss) for the year			370,538,983	371,951,765
Adjustment of Deferred Tax on last year OCI			-	(28,582,172)
Realised Profit on Sale of Mutual Fund			5,210,259	-
Adjustment of OCI of Sold Mutual Fund			(32,148,727)	-
Adjustment of Last year TDS			2,376	1,409
Profit available for appropriation			<b>1,578,263,529</b>	<b>1,234,660,638</b>
<b>Total</b>			<b>1,578,263,529</b>	<b>1,234,660,638</b>
<b>Total</b>			<b>2,986,006,074</b>	<b>2,642,403,183</b>
<b>NOTE 16 : OTHER NON -CURRENT LIABILITIES</b>				
Security Deposit from agents			12,150,000	12,150,000
Security Deposits (Construction)			20,183	20,183
Refundable Retainership Money			79,308	79,308
Uncleared Cheques of CRB Capital Market			56,890	56,890
<b>Total</b>			<b>12,306,381</b>	<b>12,306,381</b>
<b>NOTE 17 : TRADE PAYABLES</b>				
Total outstanding dues of Micro and Small Enterprises			28,545,082	20,002,443
Amount due to related parties (Note 36)			2,886,888	1,874,094
Total outstanding dues of Creditors other than Micro and Small Enterprises			43,039,244	48,477,365
<b>Total</b>			<b>74,471,214</b>	<b>70,353,902</b>
<b>NOTE 18 : BORROWINGS</b>				
Unsecured Loans			1,438,292	11,897,131
<b>Total</b>			<b>1,438,292</b>	<b>11,897,131</b>
unsecured loan interest @ 9% p.a payable on demand				
<b>NOTE 19 : OTHER FINANCIAL LIABILITIES</b>				
Sundry Creditors for Expenses			6,226,286	2,628,859
Outstanding Expenses			2,201,807	1,755,285
Advance from Seller			600,000	72,526
Advance From Customer( Sundry Debtors)			8,593,626	9,069,663
<b>Total</b>			<b>17,621,719</b>	<b>13,526,333</b>

### NOTES TO FINANCIAL STATEMENTS

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
<b>NOTE 20 : PROVISIONS</b>		
E.S.I Payable	19,632	19,922
Providend Fund Payable	93,026	61,037
Professional Tax Payable	5,550	3,290
Provision For Income Tax(A.Y 20-21)	104,160,002	133,377,968
Provision For Gratuity	2,963,088	2,717,981
<b>Total</b>	<b>107,241,298</b>	<b>136,180,198</b>
<b>NOTE 21 : OTHER CURRENT LIABILITIES</b>		
Vat current A/c	-	(4,409)
T.D.S. Payable (A.Y 2020-21)	694,602	480,367
GST Payable A/C	1,222,723	1,784,277
Int. on Security Deposit Payable	96,750	96,750
Unpaid Dividend	135,181	128,050
<b>Total</b>	<b>2,149,256</b>	<b>2,485,035</b>
Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
	₹	₹
<b>NOTE 22 : REVENUE FROM OPERATIONS</b>		
Sale Of Goods (net of Taxes and Returns)	1,730,483,001	1,676,588,577
<b>Total</b>	<b>1,730,483,001</b>	<b>1,676,588,577</b>
<b>NOTE 23 : OTHER INCOME</b>		
<b>Interest Income:</b>		
Interest on Fixed Deposits	2,644,408	2,336,932
Interest on security deposits	49,409	216,549
<b>Total</b>	<b>2,693,817</b>	<b>2,553,481</b>
<b>Other non Operating Income</b>		
Rent Received	4,647	4,097
Repairing Income	155,701	140,754
Others	286,813	1,671,826
<b>Total</b>	<b>447,161</b>	<b>1,816,677</b>
<b>Other gain or losses:</b>		
Profit on Sale of Investment	58,523	-
<b>Total</b>	<b>3,199,501</b>	<b>4,370,158</b>
<b>NOTE 24 : .EXCEPTIONAL ITEMS</b>		
Profit on sale of Property (Situated at Rashbehari Avenue Kolkata (WB) which was not in use)	-	74,501,113
<b>Total</b>	<b>-</b>	<b>74,501,113</b>
<b>NOTE 25 : PURCHASE ACCOUNTS</b>		
Purchase (net of Taxes and returns)	1,217,916,783	1,233,691,384
<b>Total</b>	<b>1,217,916,783</b>	<b>1,233,691,384</b>
<b>NOTE 26 : CHANGES IN INVENTORIES OF STOCK IN TRADE &amp; TRANSIT</b>		
Stock in trade at the beginning of the year	143,602,017	105,903,181
Stock in trade at the closing of the year	143,764,173	143,602,017
<b>Total</b>	<b>(162,156)</b>	<b>(37,698,836)</b>

### NOTES TO FINANCIAL STATEMENTS

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
	₹	₹
<b>NOTE 27 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	9,332,412	6,198,573
ESI Expenses	201,559	196,266
Provident Fund	503,913	392,353
Administrative And DLI Charges on PF	41,677	34,123
Exgratia to Staff	1,772,300	517,000
Provision For Gratuity	758,984	1,111,058
Staff Welfare	1,300,972	1,428,450
Security Staff Charges	2,690,164	2,951,776
Employees Expenses	18,149,004	13,125,339
Directors Remuneration	17,123,076	9,600,000
<b>Total</b>	<b>51,874,061</b>	<b>35,554,938</b>
<b>NOTE 28 : FINANCE COSTS</b>		
Bank Charges	201,245	177,438
Interest Paid	12,150	11,201
Interest on Security Deposit	82,500	82,500
Other Interest on Borrowings	601,290	990,510
<b>Total</b>	<b>897,185</b>	<b>1,261,649</b>
<b>NOTE 29 : OTHER EXPENSES</b>		
Advertisement	19,474,912	25,735,566
AGM Expenses	315,656	241,712
Annual Maintenance Charges	268,009	280,289
Audit Fees	1,055,500	982,500
Bank Charges On Credit Card	667,546	730,552
Car Running Expenses	26,566	96,070
Carry Bag	3,484,539	3,387,528
Computer Maintenance Expenses	95,302	298,651
Courier Charges	89,720	114,870
Custodial Fees	150,000	84,298
Consultancy Charges	555,332	412,000
CSR Expenditure	6,076,500	2,700,000
Depository Charges	17,522	11,000
Donation	80,000	385,980
Electricity Charges	4,382,281	4,656,238
Freight	8,057,850	10,506,068
General Expenditure	8,375,119	4,899,266
Insurance Charges	3,607	2,368
Ineligible GST Input	151,652	160,264
Legal Charges	58,350	892,080
Listing Fees	571,000	570,000
Listing Compliance Fees	80,000	60,000
Loss On Sale Of Car	7,652	-
Printing & Stationery	657,044	579,930
Professional Tax Late Fee	-	202
Prior Period Expenses	36,154	83,136

## NOTES TO FINANCIAL STATEMENTS

Particulars	Year ended	Year ended
	31st March 2020	31st March 2019
	₹	₹
<b>NOTE 29 : OTHER EXPENSES (Contd.)</b>		
Penalty	200	9,000
Professional Fees	1,111,745	2,616,500
Professional Tax	5,000	7,500
ROC filing fees	33,000	23,900
Rates & Taxes	358,306	679,346
Repairs & Maintenance	1,073,842	3,255,664
Rent	3,975,705	3,975,705
Round Off	4,926	10,703
Sales Tax Assessment Dues	2,237	9,774
Telephone & Internet Expenses	261,437	262,475
Travelling & Conveyance	597,984	85,385
VAT Refundable Written off	-	15,654
<b>Total</b>	<b>62,162,195</b>	<b>68,822,174</b>

### NOTE 30 : INCOME TAXES

Income tax expenses in the statement of profit and loss comprises:

Current taxes	104,160,002	133,377,968
Deferred taxes	(1,625,520)	(2,225,684)
Tax for Earlier Years	805,743	84,261
Interest on TDS	732	
<b>Income tax expense</b>	<b>103,340,225</b>	<b>131,236,545</b>

Particulars	As at	As at
	31st March 2020	31st March 2019

### NOTE 31 : RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE AS PER IND AS 33

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

a) Profit for the year (In Rs)	287,601,508	310,810,156
weighted average number of equity shares and common equivalent shares outstanding	25,155,012	25,155,012
b) Earning per share (Basic and Diluted)	11.43	12.36
Face value per share	10	10

## NOTES TO FINANCIAL STATEMENTS

### NOTE 32 : EMPLOYEE BENEFIT PLANS

#### Gratuity:

The Company provides gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for number of years of service.

<b>Changes in Present Value of Obligation as at</b>	<b>31.03.2020</b>
Present value of obligation as on last valuation	2,717,981
Current Service Cost	579,597
Interest Cost	179,387
Participant Contribution	
Plan Amendments: Vested portion at end of period(Past Service)	-
Plan Amendments: Non-Vested portion at end of period(Past Service)	
Actuarial gain/loss on obligations due to Change in Financial Assumption	-
Actuarial gain/loss on obligations due to Change in Demographic assumption	-
Actuarial gain/loss on obligations due to Unexpected Experience	(513,877)
Actuarial gain/loss on obligations due to Other reason	
The effect of change in Foreign exchange rates	
Benefits Paid	-
Acquisition Adjustment	
Disposal/Transfer of Obligation	
Curtailment cost	
Settlement Cost	
Other(Unsettled Liability at the end of the valuation date)	
Present value of obligation as on valuation date	2,963,088

<b>Table Showing Plan Assumptions</b>	<b>31.03.2020</b>
Discount Rate	6.60%
Expected Return on Plan Asset	6.60%
Rate of Compensation Increase(Salary Inflation)	5.50%
Pension Increase Rate	
Average expected future service (Remaining working Life)	12
Mortality Table	
Superannuation at age-Male	60
Superannuation at age-Female	60
Early Retirement & Disablement (All Causes Combined)	4.25%
Voluntary Retirement	

<b>Expense Recognized in statement of Profit/Loss as at</b>	<b>31.03.2020</b>
Current Service Cost	579,597
Past Service Cost(vested)	-
Past Service Cost(Non-Vested)	
Net Interest Cost	179,387
Cost(Loss/(Gain) on settlement	
Cost(Loss/(Gain) on curtailment	
Actuarial Gain loss Applicable only for last year	
Employee Expected Contribution	
Net Effect of changes in Foreign Exchange Rates	
Benefit Cost(Expense Recognized in Statement of Profit/loss)	758,984

## NOTES TO FINANCIAL STATEMENTS

### NOTE 32 : EMPLOYEE BENEFIT PLANS (CONTD.)

Other Comprehensive Income	31.03.2020
Actuarial gain/loss on obligations due to Change in Financial Assumption	-
Actuarial gain/loss on obligations due to Change in Demographic assumption	-
Actuarial gain/loss on obligations due to Unexpected Experience	(513,877)
Actuarial gain/loss on obligations due to Other reason	-
<b>Total Actuarial (gain)/losses</b>	<b>(513,877)</b>
Return on Plan Asset, Excluding Interest Income	-
The effect of asset ceiling	-
Balance at the end of the Period	(513,877)
Net(Income)/Expense for the Period Recognized in OCI	(513,877)

### Mortality Table

Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

### Sensitivity Analysis - 31.03.2020

	Increase	Decrease
Discount Rate (-/+ 0.5%)	2895411	3039002
%Change Compared to base due to sensitivity	-2.28%	2.56%
Salary Growth (-/+ 0.5%)	3039062	2894818
%Change Compared to base due to sensitivity	2.56%	-2.30%
Attrition Rate (-/+ 0.5%)	2961844	2964362
%Change Compared to base due to sensitivity	-0.04%	0.04%
Mortality Rate (-/+ 10%)	2963532	2962644
%Change Compared to base due to sensitivity	0.02%	-0.02%

### Table Showing Cash Flow Information

	Indian Rupees (INR)
Next Year Total (Expected)	1,334,371
Minimum Funding Requirements	-
Company's Discretion	-

## NOTES TO FINANCIAL STATEMENTS

### NOTE 32 : EMPLOYEE BENEFIT PLANS (CONTD.)

#### Table Showing Benefit Information Estimated Future payments( Past Service)

year	Indian Rupees(INR)
1	2,112,425
2	9,272
3	10,263
4	174,191
5	10,085
6 to 10	176,861
More than 10 years	2,849,403
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	5,342,499
Less Discount For Interest	2,379,411
Projected Benefit Obligation	2,963,088

#### Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year Indian Rupees (INR)

Current service Cost(Employer portion Only) Next period	418,504
Interest Cost next period	125,854
Expected Return on Plan Asset	-
Unrecognized past service Cost	
Unrecognized actuarial/gain loss at the end of the period	
Settlement Cost	
Curtailement Cost	
other( Actuarial Gain/loss)	
Benefit Cost	544,358

#### Table Showing expected return on Plan Asset at end Measurement Period 31.03.2020

Current liability	2,045,986
Non-Current Liability	917,102
Net Liability	2,963,088

### NOTE 33 : The Jaipur branch of the company is running its store in rented premises. Details of Lease Rent are as below:

Name of Lessor	Description	Date of Lease Deed	Lease Commencement Date	Lease end date	Lease Period
1. Nand Leasing Private Limited	First Floor- 2278.77 sq.ft	27 May 2010	01 July 2010	30 May 2030	30 years
2. Ganapati Construction Pvt. Ltd.	Basement Floor-3820 sq.ft	27 May 2010	01 June 2010	30 April 2030	30 years
3. Subhalaya Private Limited	Ground Floor-3212 sq.ft	27 May 2010	01 June 2010	30 April 2030	30 years



## NOTES TO FINANCIAL STATEMENTS

### NOTE 33 : (Contd.)

As per Ind AS 116 following disclosure is required:

Particulars	Yes/No	Rent Amont	Contingent Rent Amount
1. Lease Rent recognised in P&L	Yes	3,975,705	0.
2. Existence of escalation clause	Yes	There is escalation clause in the lease deed for hike @ 15% after every 3 years. This year lease rent should have been increased @ 15% w.e.f June 2019 for Subhalaya Private Limited and Ganapati Construction Private Limited, July 2019 for Nand Leasing Private Limited but adverse market condition the company requested to the lessor to postponed the lease rent hike for another one year but lessor response is still awaited, so lease rent is being paid without increment.	
3. Whether lease cancellable or not?	Yes cancellable	It is a cancellable lease. Hence we do not need bifurcated the minimum lease payment into less than one year period, 1-5 year period and more than 5 year time period. The lease agreement cancellable by both the parties as per agreement. 1. The lessor can serve notice to lessee to vacate the premises if lessee does not pay for any three consecutive months. 2. If lessee decides to vacate the premises during the period, under the agreement, the lessee should issue three months notice to the lessor for immediate settlement.	
4. Basis on which contingent rent payment are determined.	On the basis of legal notice	If the lessor do not agree for the postponement of escalation clause then the lessee have to pay the increased rent outstanding payment of Rs.481058 /- till march 2020. The lessor had issued legal notice regarding the payment of outstanding rent.	

### NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
Appeals filed in respect of disputed (Interest thereon not ascertainable at present) demands - where the department is in appeal		
(a) Central Excise Tax	9,320,010	9,320,010
- Where the Company in Appeal		
(b) Demand in respect of InCOME Tax for A.Y 2017-18	2,761,843	-
<b>Total</b>	<b>12,081,853</b>	<b>9,320,010</b>

**NOTE 35 :** In March 2020, the World Health Organisation declared COVID-19 a Global Pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020, which has impacted normal business operation of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these financial statements, to determine the impact on the company's revenue from operations foreseeable future. The Company has resumed its business activities. However, the Company does not anticipate any challenges in its ability to continue as going concern. As the situation is unprecedented while the lockdown is gradually lifting, the company is yet closely monitoring the situation as it evolves in the future.

### NOTE 36 : DISCLOSURES OF TRANSACTION WITH RELATED PARTY AS REQUIRED IND AS 24

#### Nature of Relationship

a) Enterprises in which Director is interested whom transaction have taken place:

- M/s Sreeleathers
- Sumanta Susanta Overseas (P) Ltd.
- Sumanta Susanta Export (P) Ltd.
- Upkar Vinimay (P) Ltd.
- M/s House of SL

b) Key Managerial Personnel with whom transaction have taken place:

- Satya Brata Dey - Managing Director
- Rochita Dey - Executive Director
- Shipra Dey - Executive Director
- Sujay Bhattacharjee - CFO
- Bijoy Kumar Roy - Company Secretary
- K. D. Sarkar - Independent Director
- Anil Chandra Bera - Independent Director

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

### NOTE 36 : Disclosures of transaction with RELATED PARTY as required Ind AS 24 (Contd.)

Nature of Transactions	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Purchase of Goods (including applicable taxes)</b>		
M/s Sreeleathers	31,318,400	28,716,391
Sumanta Susanta Overseas (P) Ltd	11,753,348	7,174,095
Sumanta Susanta Export (P) Ltd	1,877,861	-
House of SL	1,105,143	-
<b>Total</b>	<b>46,054,752</b>	<b>35,890,486</b>
<b>Sale of Goods (including applicable taxes)</b>		
M/s Sreeleathers	80,122,861	94,809,021
Upkar Vinimay (P) Ltd	3,826,021	2,585,783
Sumanta Susanta Export (P) Ltd	-	832,308
<b>Total</b>	<b>83,948,882</b>	<b>98,227,112</b>
<b>Remuneration</b>		
Satya Brata Dey	9,600,000	9,600,000
Shipra Dey	3,761,538	-
Rochita Dey	3,761,538	-
Sujay Bhattacharjee	735,769	356,538
Bijoy Kumar Roy	439,231	328,846
	<b>18,298,076</b>	<b>10,285,384</b>
<b>Fees to Independent Director:</b>		
K. D. Sarkar	15,000	15,000
Anil Chandra Bera	15,000	15,000
<b>Sale of Property :</b>		
Rochita Dey	-	155,000,000
Reimbursement of expenses on behalf of Rochita Dey	-	5,551,150
Balance as on 31.03.2020		
<b>Trade Receivables</b>		
M/s Sreeleathers	4,792,921	-
Upkar Vinimay Private Limited	113,891	-
<b>Total</b>	<b>4,906,812</b>	<b>-</b>
Balance as on 31.03.2020		
<b>Trade Payble</b>		
Sumanta Susanta Export Private Limited	13,990	-
Sumanta Susanta Overseas Private Limited	-	1,874,094
M/s Sreeleathers	2,872,898	-
<b>Total</b>	<b>2,886,888</b>	<b>1,874,094</b>
<b>Advance Payment:</b>		
Sumanta Susanta Overseas Private Limited	<b>831,473</b>	<b>-</b>

Note: As per section 149(6) of the Companies Act,2013 Independent Directors are not considered "Key Managerial Personnel" however to comply with disclosure requirements of Ind AS 24 on "Related party transaction" they have been considered as Key Managerial Personnel.

## NOTE 37 : 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.

Particulars	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>NOTE 38 : AUDIT FEES</b>		
a) Audit Fees	600,000	559,760
(b) Fees for tax matters	200,000	194,790
(c) Fees for Company Law Matters	80,500	80,065
(d) For Tax Audit Fees	100,000	85,385
<b>Total</b>	<b>980,500</b>	<b>920,000</b>

## NOTE 39 : EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on corporate Social Responsibility Activities as per section 135 of companies Act, 2013 read with schedule III are as below:

Gross amount required to be spent by the company for the year	<b>5,989,300</b>	<b>4,702,000</b>
(i) Construction /Acquisition of asset	-	-
(ii) For purpose other than (i) above	<b>6,076,500</b>	<b>2,700,000</b>

(Refer to Annexure A of Board Report SI no. 4 & 5)

## NOTE 40 : THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure as required by section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a) Principal amount remaining unpaid to suppliers at the end of the year	28,545,082	20,002,443
b) Interest due thereon remaining unpaid to suppliers at the end of the year	-	-
c) The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day	-	-
d) The amount of interest due and payable	-	-
e) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-

## NOTE 41 :

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

## NOTE 42 :

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

## NOTE 43 :

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 2019-2020. The disclosure requirements are made in the notes to accounts or by way of additional statements. The other disclosures as required by the Companies Act are made in the notes to accounts.

## As per our report of even date attached

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

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th July, 2020

<b>SATYABRATA DEY</b> (Managing Director) (DIN : 00569965)	<b>K. D. SARKAR</b> (Director) (DIN : 08200786)	<b>SUJAY BHATTACHERJEE</b> (Chief Financial Officer)	<b>B. K. ROY</b> (Company Secretary)
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