

SREELEATHERS LIMITED

ANNUAL REPORT

2010-2011

Corporate information

BOARD OF DIRECTORS

Sri Satya Brata Dey
Sri Sumanta Dey
Sri Sushanto Dey
Sri Sujay Bhattacharjee
Sri Sumanta Biswas
Smt. Sadhana Adhikary

Managing Director
Director
Director
Independent Director
Rotational Independent Director
Rotational Independent Director

REGISTERED OFFICE

6, Tottee Lane
Kolkata – 700 016
West Bengal
Phone No. +91 33 2286 1571
Fax No. +91 33 2286 1571

STATUTORY AUDITORS

M/s K.Rungta & Co.
Chartered Accountants
1, Crooked Lane
Room No. 102, 1st Floor
Kolkata – 700 069
West Bengal

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS

Oriental Bank of Commerce
Chowringee Branch
32, Chowringee Road
Kolkata – 700 071

HDFC Bank Ltd.
Chowringee Branch
31, Chowringee Road
Kolkata – 700 071

Bank of India
Lindsay Street Branch
Kolkata – 700 087

State Bank of India
Samridhi Bhawan,
1, Strand Road,
Kolkata – 700 001

DIRECTORS' REPORT

To
The Members,
Sreeleathers Limited

The Directors are pleased to present herewith the 20th Annual Report of the Company together with Audited Accounts for the financial year ended 31st March, 2011.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

	YEAR ENDED 31 ST MARCH 2011	YEAR ENDED 31 ST MARCH 2010
Receipt from Operations	4032.31	3222.24
Profit Before Depreciation and Taxes	612.25	451.38
Less: Depreciation	56.97	50.25
Profit Before Tax	555.28	401.13
Less : Provision for		
(a) Income tax	191.01	144.61
(b) Earlier year Taxes Paid	(0.43)	-
(c) Interest on Tax Payments	2.16	
(c) Deferred tax	(3.43)	0.28
Profit after tax	365.97	256.25
Add: Brought forward from last year	237.29	39.90
Profit Available for Appropriation	603.26	296.15
Proposed Dividend on Equity Shares	125.78	50.31
Excess Tax Provision written back	(0.19)	-
Provision for Tax on Proposed Equity Div.	20.40	8.55
Balance Carried Forward to Balance sheet	457.28	237.29

2. DIVIDEND:

The Directors recommend Dividend @ 5% per Equity Share for the year ended 31st March, 2011, on 2,51,55,012 nos. Equity Share of Rs.10/- each. The Dividend pay-out including Corporate Dividend Tax of Rs. 20.40 Lacs will be Rs. 146.18 Lacs as compared to Dividend pay-out including Corporate Dividend Tax of Rs. 8.55 Lacs and were Rs. 58.86 Lacs in the immediate preceding previous year.

3. OUT LOOK:

With the availability of the funds, your company has started on the path of exponential growth. Your Company is dealing in footwear's & leather Accessories, The Company is also involved in expanding its current business activities.

4. FINANCIAL REVIEW

Looking into the market scenario during the year under review, the performance of your company has been satisfactory and gained the profit of Rs. 365.97 Lacs Rupees Three Hundred Sixty Five Lacs and Ninety Seven Thousand only) in spite of the recessionary trend and downturn in global economies. The gross increase of receipts from operations has recorded an increase of **25.14% (Rs.810.07 Lacs)** in the current year and your directors are taking reasonable steps to increase profits from the coming years.

We are sure that your company is of the view that the performance of the company would further improve in the coming financial years.

5. HUMAN RESOURCES:

The Company remains committed to developing and fostering a culture of participation, engagement and accountability, and takes pride in the initiative and team-work, and in the spirit of excellence, demonstrated by all its employees; they have displayed exemplary team-work, result-orientation, and motivation; and also sense of accomplishment from their contribution to the Company's goals.

6. PUBLIC DEPOSITS

The Company has not accepted any public deposit within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 and there is no outstanding deposit due for re-payment.

7. DIRECTORS:

Mr. Sushanto Dey and Mrs. Sadhana Adhikary who retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-2011 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

9. AUDITORS & AUDITOR'S REPORT:

K. RUNGTA & CO., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditor of the Company. They have furnished the necessary certificate of their eligibility under section 224 (1) (B) of the Companies Act, 1956. The notes to accounts referred to in the Auditors' Report are self-explanatory and, therefore do not call for any further comments.

10. REPORT OF CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the stock exchange, a separate section on Corporate Governance is enclosed herewith which forms part of the Annual Report. A Certificate from the Auditors of the Company on Compliance with the conditions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreement is annexed to this Report.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:

CONSERVATION OF ENERGY:

The scope for conservation of energy is limited in the type of industry in which your company is engaged. However, the Company continues to accord high priority to conservation of energy by opting for more power effective replacements of equipments and electrical installation. No specific investment proposals are envisaged.

Form 'A' of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable as our industry is not included in the Schedule to the said Rules.

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The relevant information in respect of Foreign Exchange, earning & Outgo has been given in the notes forming part of the Accounts for the year ended 31st March, 2011.

12. PARTICULARS OF EMPLOYEES:

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the company has no employees who were in receipt of the remuneration of Rs. 60,00,000/- or more per annum during the year ended 31st March, 2011, or Rs. 5,00,000/- or more per month during any part of the said year.

13. ACKNOWLEDGEMENT:

The Directors accept and convey their sincere appreciation to all employees of the Company for their continued dedication and commitment to achieving the results of the Company. The Directors also acknowledge and are grateful to the Bankers, Government Authorities, Shareholders, Vendors and other Stakeholders for their continued support, confidence and cooperation in the performance of the Company.

Place: Kolkata

Date: 31.05.2011

For and on behalf of the Board of Directors
For SREELEATHERS LIMITED


(Sumanta Dey)
Director

Director

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY CORPORATE GOVERNANCE:

Corporate Governance provides corporates with a framework to pursue the objectives of the organisation effectively. Being a value driven organization, the Company's corporate governance practices and disclosures have been duly complied with the statutory and regulatory requirements of the Companies Act, 1956, Securities framed there, are under the provisions of the listing agreement and all other applicable laws. The Company's corporate governance policies and practices are in accordance with the provisions of Clause 49 of the Listing Agreement and have generally complied with all the mandatory requirements as applicable to the Company.

2. GOVERNANCE STRUCTURE:

Corporate Governance structure of Sreeleathers Limited is as under:

i) The Board of Directors – The members of Sreeleathers Limited Board are free to bring up any matter for discussion at the Board Meetings and the functioning is democratic. The Board plays a key role framing policies for ensuring and enhancing good governance. Besides its primary role of setting corporate performance, the Board directs guides the activities of the Management towards achieving those Corporate goals, seeks accountability with a view to achieve sustained and consistent growth aimed at adding value for its stakeholders.

ii) The Committee of Directors – The Board has constituted the following Committees viz. Audit committee, Remuneration Committee and Shareholders Committee. Each of the Committee has been mandated to operate within a given framework.

2. BOARD OF DIRECTORS:

(i) Composition: The Board of Directors has 6(six) directors. It consists of 1(one) Managing Director, 3(three) Non Executive Independent Directors and 2(two) Non Executive Directors. The Non Executive Directors account for more than 80% of the Board's strength against the minimum requirement of 50% as per the Listing Agreement. Independent Directors constitute half of the total strength of the Board. The Non Executive Directors are all eminent professionals with experience in overall management, finance and law and have a wide range of skills and experience.

(i) Constitution of the Board of Directors:

The Company is having whole- time executive Managing Director, who discharges his duties and obligations under the superintendence and control of the Board of Directors of the Company.

Details of the Directors are as under:

Name of Director	Category of Directorship	No. of Director Ships	Committees	
			Position Memberships	Chair man
Mr. Satya Brata Dey	Managing Director	2	-	-
Mr. Sumanta Dey	Non Executive & Non Independent	1	-	-
Mr. Sushanto Dey	Non Executive & Non Independent	1	-	-
Mr. Sujay Bhattacharjee	Non Executive & Independent	1	-	-
Mr. Sumanta Biswas	Non Executive & Independent	1	-	-
Mrs.Sadhana Adhikary	Non Executive & Independent	1	-	-

Notes:

1. The above numbers exclude directorships in private, foreign companies and companies which are granted license under Section 25 of the Companies Act, 1956.

(ii) Details of the Board Meetings and Attendance Record of the Directors:

During the year ended 31st March, 2011, EIGHT (8) Board Meetings were held on the following dates:

29TH April 2010, 13th May 2010, 31st July 2010, 16th September 2010, 24th September 2010, 16th October 2010, 30th October 2010 and 12th February 2011.

The details of attendance of Directors at the Board meetings during the financial year 2010-11 and at the last Annual General Meeting (AGM) held on September 17, 2010 are given below.

Name	Category	Meetings held During the Tenure of Directors	Meetings Attended	Attendance at the last AGM
Mr. Satya Brata Dey	Managing Director	8	8	Yes
Mr. Sumanta Dey	Non Executive & Promoter Director	8	8	Yes
Mr. Sushanto Dey	Non Executive & Promoter Director	8	7	Yes
Mr. Sujay Bhattacharjee	Non Executive & Independent Director	8	8	Yes
Mr. Sumanta Biswas	Non Executive & Independent Director	8	8	Yes
Mrs. Sadhana Adhikary	Non Executive & Independent Director	8	8	Yes

3. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors and to meet the requirements of Section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Boards overall responsibilities, an Audit Committee is continuously functioning since its formation. The Audit Committee inter-alia has all the powers and played its role in terms of the Clause 49 of the Listing Agreement.

(i) Composition of the Audit Committee

The Audit Committee comprises of three Non-Executive Directors, namely Mr. Sujay Bhattacharjee, Mr. Sumanta Dey, Mr. Sushanto Dey respectively.

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.

(ii) Meetings and attendance during the year:

The Committee has met five (5) times during the financial year ended 31st March 2011 i.e. on 26th April 2010, 28th July 2010, 23RD September 2010, 28th October 2010 and 10^h February , 2011.

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

Name of the Member	Meeting attendance
Mr. Sujay Bhattacharjee (Chairman)	5
Mr. Sumanta Dey	5
Mrs. Sadhana Adhikary	5

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