



**SREELEATHERS LIMITED**

(CIN: L67190WB1991PLC050656)

**Registered Office:** 6, Tottee lane, Kolkata-700 016, West Bengal

**Tel. No.:** +91 33 2286 1571; **Fax No.:** +91 33 2217 6468;

**E-Mail ID:** sreeleathers@sreeleathers.com; **Website:** www.sreeleathers.com

**Contact Person:** Mr. Bijoy Kumar Roy, Company Secretary & Compliance Officer;

**E-Mail ID:** bijoykumarroy@gmail.com

This Public Announcement (“**Public Announcement**”) is being made in relation to the Buyback of Equity Shares (as defined hereinafter) by **Sreeleathers Limited** (the “**Company**”) from the Open Market through Stock Exchange mechanism, pursuant to the provisions of Regulation 16(iv) of and in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time (“**Buyback Regulations**”) and contains the disclosures as specified in Schedule IV read with Schedule I to the Buyback Regulations.

**BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM**

**PART A-DISCLOSURES IN ACCORDANCE WITH SCHEDULE I OF THE BUYBACK REGULATIONS**

**1. DETAILS OF BUYBACK OFFER & BUYBACK PRICE**

- 1.1. Pursuant to the provisions of Sections 68, 69, 70, and all other applicable provisions, if any, of the Companies Act, 2013, as amended (“**Companies Act**”/“**Act**”) and applicable rules thereunder, and the provisions of the Buyback Regulations, Article 9(vi) of the Articles of Association of the Company, and pursuant to the resolutions passed by the Board of Directors of Sreeleathers Limited (the “**Company**”) (the Board of Directors of the Company (hereinafter referred to as the “**Board**” or the “**Board of Directors**”) at their meeting held on November 24, 2020 (the “**Board Meeting**”), approved the said proposal of Buyback of the Company’s fully paid-up Equity Shares of face value of ₹10 (Rupees Ten only) each (the “**Equity Shares**”) from its shareholders/beneficial owners, other than those who are Promoters or the persons in control of the Company (hereinafter collectively referred to as the “**Promoters**”/“**Promoter Group**”), from the Open Market through Stock Exchanges, for an total amount not exceeding ₹32,00,00,000 (Rupees Thirty Two Crores only) (“**Maximum Buyback Size**”) and at a price not exceeding ₹160 (Rupees One Hundred and Sixty only) (“**Maximum Buyback Price**”), payable in cash (the process being referred hereinafter as “**Buyback**”). The Maximum Buyback Size shall not include any expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors’ fees, stock exchange fees, brokerage, applicable taxes including inter alia securities transaction tax, goods and services tax, stamp duty, etc., public announcement publication expenses and other incidental and related expenses (“**Transaction Costs**”).
- 1.2. The maximum buyback size of ₹32,00,00,000 (Rupees Thirty Two Crores only), represents 9.88% of paid-up equity capital and free reserves of the Company based on the audited financials of the Company as at March 31, 2020. Since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68(2)(b) of the Act, the approval of the shareholders of the Company is not required.
- 1.3. At the Maximum Buyback price and for the maximum buyback size, the indicative number of Equity shares that would be bought back would be 20,00,000 (Twenty Lakhs only) Equity Shares which is 7.95% of the total number of Equity Shares of the Company. If the equity shares are bought back at a price below the Maximum Buyback Price, the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total number of Equity Shares forming part of the paid up equity Share Capital of the Company.
- 1.4. The Company will deploy a minimum of ₹16,00,00,000 (Rupees Sixteen Crores only) for the Buy-back (“**Minimum Buy-Back Size**”) being 50% of the Maximum Buy-back Size.
- 1.5. The number of Equity Shares bought back would depend upon the average price paid for Equity Shares bought back and aggregate consideration paid for such equity shares bought back. The maximum number of Equity Shares that can be bought back will be in consonance with Regulation 38 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (**SEBI (LODR) Regulations, 2015**), Section 68 of the Companies Act, Buy-Back Regulations and Maximum Buy-Back Size.
- 1.6. The Buyback (including Transaction Cost) will be implemented by the Company out of its securities premium account and other free reserves, in accordance with Section 68(1) of the Act and Regulation 4 (ix) of the Buyback Regulations and shall be from the open market purchases through the Stock Exchange, by

using the order matching mechanism except 'all or none' order matching system, as provided under the Buyback Regulations.

- 1.7. The Board shall determine, at its discretion, the time frame for completion of the Buyback and may close the Buyback (which shall not be longer than (6) six months from the date of opening of the Buyback or such other period as may be permitted under the Act and/or Buyback Regulations or as may be directed by the appropriate authorities) after the Minimum Buyback Size has been reached, and irrespective of whether the Maximum Buyback Size has or has not been reached, after giving appropriate notice for such closure and on completing all formalities in this regard, in accordance with the Act and/or Buyback Regulations.
- 1.8. The indicative maximum number of Equity Shares to be bought back at the Maximum Buyback Size and the Maximum Buyback Price is 20,00,000 (Twenty Lakhs only) Equity Shares ("**Maximum Buyback Shares**"), which will not exceed 25% of the total paid up Equity Share capital of the Company. The Company shall, during the Buyback period and upon completion thereof, comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid up Equity Share capital of the Company as provided under Regulation 38 of the SEBI (LODR) Regulations, 2015.
- 1.9. The Company shall not purchase Equity Shares which are locked-in or non-transferable, in the Buyback, until the pendency of the lock-in or until the Equity Shares become transferable, as applicable. There are no partly paid-up Equity Shares with calls in arrears of the Company.
- 1.10. This Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any, and such approvals shall be required to be taken by such non-resident members.
- 1.11. A copy of this Public Announcement is available on the website of the Company, i.e. [www.sreeleathers.com](http://www.sreeleathers.com) and is expected to be available on the website of the Securities and Exchange Board of India ("**SEBI**") i.e. [www.sebi.gov.in](http://www.sebi.gov.in) and on the websites of Stock Exchanges, i.e., [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cse-india.com](http://www.cse-india.com).

## **2. NECESSITY FOR THE BUYBACK AND DETAILS THEREOF**

- 2.1. The Board of Directors of the Company is of the view that the Buyback will help the Company effectively utilize its available surplus funds, which is in excess of the surplus amount needed to be retained by the Company for the future growth.
- 2.2. The Buyback is expected to enhance overall long term shareholders' value for continuing shareholders, without compromising on the future growth opportunities of the Company, as well as provide an exit opportunity to the public shareholders.
- 2.3. The Buyback may lead to reduction in outstanding Equity Shares, improvement in 'earnings per share' and enhanced return on equity, based on the assumption that the Company would earn similar profits as in the past.

## **3. MAXIMUM BUYBACK SIZE AND MINIMUM BUYBACK SIZE AND BUYBACK SHARES**

- 3.1. The Maximum Buyback Size i.e. maximum amount to be utilized under the buyback will not exceed ₹32,00,00,000 (Rupees Thirty Two Crores only) (excluding Transaction costs) which represents 9.88% of the total paid-up Equity Share Capital and Free Reserves (including Securities Premium account) as per the latest Audited Financial Statements of the Company for the financial year ended March 31, 2020.
- 3.2. At the Maximum Buyback size and the Maximum buyback price, the indicative maximum number of Equity Shares to be bought back would be 20,00,000 (Twenty Lakhs) Equity Shares ("Maximum /Buyback Shares") which represents 7.95% of the total number of Equity Shares of the Company. However, if the Equity Shares are bought back at a price below the maximum buyback price, the actual number of Equity Share bought back could exceed the indicative maximum buyback shares (assuming full deployment of the buyback size). The actual number of Equity Shares to be bought back will depend upon the actual price, excluding the transaction costs, paid for the Equity Shares bought back and the aggregate consideration paid in the buy back, subject to maximum buyback size. Further the number of Equity Shares to be bought back in the buyback will not, in any case, exceed 25% of the total number of Equity Shares of the Company.
- 3.3. In accordance with Regulation 15 of the buyback regulations, the Company shall utilize at least 50% of the amount earmarked as the maximum buyback size for the buyback i.e. ₹16,00,00,000 (Rupees Sixteen Crores Only.)

## **4. MAXIMUM BUYBACK PRICE & BASIS FOR ARRIVING AT THE MAXIMUM BUYBACK PRICE**

- 4.1. The Maximum Buyback Price of ₹160 (Rupees One Hundred and Sixty only) per Equity Share has been arrived at after considering various factors including trends in the Market Price of the Equity Shares on the Stock Exchanges, the Net Worth of the Company and the potential impact of the Buyback on the earnings per share. The Maximum Buyback Price excludes the Transaction Costs.

- 4.2. The Company confirms that as required under Section 68(2)(d) of the Companies Act 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid-up Equity Share Capital and free reserves post Buyback.
- 4.3. The Maximum Buyback Price of ₹160 per Equity Share represents: (i) a premium of 14.96% and 13.70% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback; (ii) a premium of 13.59% and 13.72% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and (iii) a premium of 7.20% and 7.31% over the closing market price of the Equity Shares as on the trading day prior to the date of the Board Meeting i.e. November 23, 2020, on BSE and NSE respectively. The closing market price of the Equity Shares as on the date of Board Meeting i.e. November 24, 2020 was ₹150.35 and ₹149.95 on BSE and NSE respectively.
- 4.4. The actual number of Equity Shares bought back will depend upon the actual price paid for the Buyback, excluding the Transaction Costs paid for the Equity Shares bought back and the aggregate amount paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchange during the Buyback period.

## 5. DETAILS OF SHAREHOLDING OF THE PROMOTERS AND PROMOTERS GROUP OF THE COMPANY AND OTHER DETAILS

- 5.1. The aggregate shareholding of the Promoters and Promoters Group and of the Directors of the Promoters, where promoter is a company and of persons who are in control of the Company as on the date of Board Meeting i.e. November 24, 2020 are as under:

Sr. No.	Promoters / Promoter Companies/ Persons who are in control	No of Equity Shares held	% of total Equity Share Capital
<b>Individuals</b>			
1)	Jyotsna Dey	5,00,300	1.99
2)	Kalpna Mitra	4,750	0.02
3)	Satya Brata Dey	45,33,485	18.02
4)	Shekar Dey	5,07,740	2.02
5)	Shipra Dey	33,593	0.13
6)	Sumanta Dey	8,93,200	3.55
7)	Sushanto Dey	11,68,450	4.64
8)	Rochita Dey	1,59,246	0.63
9)	Soham Dey	1,80,240	0.72
<b>Bodies Corporate</b>			
10)	Easel Advertising Pvt. Ltd	32,39,500	12.88
11)	Panchavati Tie-up Pvt. Ltd	50,24,666	19.97
12)	Shoeline Trading Pvt. Ltd.	4,93,654	1.96
<b>TOTAL</b>		<b>1,67,38,824</b>	<b>66.54</b>

Major Shareholders in the above mentioned Promoter Companies:

Sr. No.	Name of the Promoter Companies	Name of the Shareholders	No. of Shares	Percentage (%)
1)	Easel Advertising Pvt. Ltd.	Shipra Dey	10,100	10.43%
		Tug Developers Pvt. Ltd.*	18,000	18.59%
		Shoeline Trading Pvt. Ltd.*	12,000	12.39%
		Panchavati Tie-up Pvt. Ltd.*	14,250	14.71%
2)	Panchavati Tie-up Pvt. Ltd	Satya Brata Dey	95,000	38.71%
		Shipra Dey	1,20,000	48.90%
		Tug Indofin Pvt. Ltd.	25,713	10.48%
3)	Shoeline Trading Pvt. Ltd.	Satya Brata Dey	1,13,700	24.06%
		Sreeleathers Ltd.*	90,000	19.04%
		Panchavati Tie-up Pvt. Ltd.*	94,400	19.97%
		Tug Developers Pvt. Ltd.*	90,000	19.04%
		Tug Indofin Pvt. Ltd.	68,750	14.55%

\* The Company is controlled by Satya Brata Dey, Sumanta Dey and Shipra Dey.

- 5.2. No Equity Shares have been bought or sold by the Persons mentioned above preceding the last twelve (12) months from the date of the Board Meeting to approve the Buy-back except for the following:

Name	Aggregate No. of Equity Shares acquired / sold	Nature of Transaction	Maximum Price per Equity Share (Rs.)	Date of Maximum Price	Minimum Price per Equity Share (Rs.)	Date of Minimum Price
Rochita Dey	70,846	Purchase	177.50	December 27, 2019	111.85	March 19, 2020
Soham Dey	1,80,240	Purchase	180.00	December 27, 2019	108.15	March 13, 2020
Shipra Dey	20,668	Purchase	126.50	March 27, 2020	113.10	March 26, 2020
Satya Brata Dey	42,331	Purchase	125.00	March 31, 2020	123.00	March 31, 2020

## 6. NON-PARTICIPATION BY PROMOTERS AND PERSONS IN CONTROL OF THE COMPANY IN THE BUY BACK

- 6.1. In accordance with the provisions of Regulation 16 (ii) of the Buy-back Regulations, the Buy-back shall not be made by the Company from the Promoters and Promoter Group.
- 6.2. In accordance with Regulation 24(i)(e) of the Buyback Regulations, the Promoters and Persons acting in control and/or their associates (as defined in the buyback regulations) shall not deal in the Equity Shares or other specified securities of the Company in the Stock Exchanges or off-market, including inter-se transfer of Equity Shares among the Promoter and Persons in control, during the period from the date of Board Meeting till the closing of the Buyback period,

## 7. SUBSISTING DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payment, redemption of debentures or interest payment or preference shares, dividend to shareholder or repayment of term loans to any financial institutions or banks.

## 8. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

The Board of Directors has confirmed in the Board Meeting that they have made full inquiry into the affairs and prospects of the Company and that they have formed the following opinion:

- 8.1. All the Equity Shares of the Company are fully paid-up.
- 8.2. The Buyback period extends from November 24, 2020, i.e., the date of the Board resolution authorising the Buyback to the date on which the last payment of consideration for the Equity Shares bought back by the Company is made ("Buyback Period"). The Company is not permitted to raise further capital for such period following the date of expiry of the Buyback Period (except in discharge of its subsisting obligations) as specified in the Buyback Regulations, read with the relevant circulars issued by SEBI from time to time.
- 8.3. The Buyback shall open not later than seven (7) working days from the date of Public Announcement and shall close within a period of six (6) months from the date of opening of the Buyback.
- 8.4. The Company shall not issue any Equity Shares or other specified securities (including by way of bonus or convert any outstanding stock options/outstanding instruments into Equity Shares) during the Buyback Period.
- 8.5. The Company has not undertaken a buyback of any of its securities during the period of one (1) year immediately preceding the date of the Board Meeting and shall not make any offer of buyback within a period of one year from the date of expiry of the Buyback Period.
- 8.6. The Company shall not buy back its shares from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through private arrangement.
- 8.7. The aggregate amount of the Buyback i.e. ₹32,00,00,000 (Rupees Thirty Two Crores only) does not exceed 10% of the total paid up Equity Share Capital and Free Reserves of the Company on the basis of the audited financials of the Company as on March 31, 2020.
- 8.8. The maximum number of Equity Shares proposed to be purchased under this buyback does not exceed 25% of the total number of outstanding Equity Shares of the Company.
- 8.9. The Company shall not buy back its shares which are under locked-in or non-transferrable Equity Shares, if any till the pendency of the lock-in or till the Equity Shares become transferrable.
- 8.10. The Equity Shares bought back by the Company shall be compulsorily extinguished and destroyed in terms of the Buyback Regulations and will not be held for re-issue at a later date.
- 8.11. The funds borrowed from banks and financial institutions will not be used for the Buyback.
- 8.12. The Company shall pay the consideration only by way of cash.
- 8.13. The Company will not issue the same kind of shares including allotment of new shares under clause (a) of sub-section (1) of section 62 of the Companies Act or other specified securities within a period of six (6) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

- 8.14. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up share capital and free reserves after the Buyback as prescribed under Buyback Regulations, the Companies Act, the rules made thereunder and other applicable laws.
- 8.15. The Company is not undertaking the Buyback to delist its Equity Shares from the Stock Exchanges.
- 8.16. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act as on date.
- 8.17. The Company shall not withdraw the Buyback after the date of this Public Announcement.

#### **9. CONFIRMATION FROM THE BOARD OF DIRECTORS OF THE COMPANY**

The Board of Directors of the Company has confirmed during the Board Meeting held on November 24, 2020 that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- 9.1. Immediately following the date of the Board Meeting approving the Buyback on November 24, 2020 there will be no grounds on which the Company could be found unable to pay its debts;
- 9.2. As regards the Company's prospects for the year immediately following the date of the Board Meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the dates of the Board Meeting; and
- 9.3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, or the Insolvency and Bankruptcy Code, 2016, as applicable (including prospective and contingent liabilities).

#### **10. REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY**

The text of the report dated November 24, 2020 received from M/s Chanani & Associates, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors is reproduced below:

##### **QUOTE**

To,

**The Board of Directors**

**Sreeleathers Limited**

6, Tottee lane,  
Kolkata-700 016  
West Bengal

**Sub :** Statutory Auditor's Report in respect of the proposed buyback of equity shares by Sreeleathers Limited ("**Company**") in terms of Schedule IV read with Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("**Buyback Regulations**").

Dear Sir / Ma'am

- 1) This report is issued in accordance with the terms of our engagement letter dated 24<sup>th</sup> November 2020 with Sreeleathers Limited (hereinafter referred to as "**Company**")
- 2) The Board of Directors of the Company has approved a proposal for buyback of equity shares of the Company ("**Equity Shares**") at its meeting held on November 24, 2020 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "**Act**") and the Buyback Regulations. We have been requested by the management of the Company to perform a reasonable assurance engagement on the accompanying statement of permissible capital payment ("**Annexure**") as at Annexure-A (hereinafter referred to as the "**Statement**"). This statement has been prepared by the management of the Company, which we have initialled for the purposes of identification only.

##### **Management Responsibility**

- 3) The preparation of the Statement in accordance with Section 68(2) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 4) The Board of directors of the Company are responsible to make a full enquiry into the affairs of the Company and to form an opinion that will be able to pay its debts from date of the board meeting and will not be rendered insolvent within period of one year from the date of meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or Insolvency and Bankruptcy Code, 2016.

### **Auditor's Responsibility**

- 5) Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting criteria":
  - (i) if the amount of permissible capital payment as stated in Annexure, has been properly determined considering the audited financial statements as at March 31, 2020 in accordance with Section 68(2)(c) of the Act and the proviso to Regulation 4(iv) of the Buyback Regulations;
  - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule 1 to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within period of one year from the date of meeting;
  - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable as per the circumstances as at the date of declaration.
- 6) The Financial statements referred to in paragraph 3 above pertaining to the year ended March 31, 2020, have been audited by us on which we issued an unmodified audit opinion vide our report dated July 30, 2020. Our audits of this financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement.
- 7) We conducted our examination of statement in accordance with the guidance note on reports or Certificate for special Purposes issued by the Institute of Chartered Accountants of India. The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountant of India.
- 8) We have complied with relevant applicable requirements of the standard on quality Control (SQC) for firms that perform audits and review of Historical Financial Information and other Assurance and related services engagements.
- 9) A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. We have performed the following procedures in relation to the Statement.
  - i) We have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2020;
  - ii) Examined authorization for buyback from Articles of Association of the Company;
  - iii) Examined that the amount of capital payment for the buy-back as detailed in annexure A is within permissible limit computed in accordance with section 68(2) of the Act ,Regulation 4(i),proviso to regulation 5(i)(b) of the SEBI Buy-back Regulations;
  - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
  - v) Examined that all shares for buy-back are fully paid up;
  - vi) Examined resolutions passed in the meeting of Board of Directors, We have done no procedures as regard the projections as approved by the board of directors and accordingly do not certify the same;
  - vii) Examined Director's declarations for the purpose of buy back and solvency of the Company Opinion;
  - viii) Obtained necessary representations from the management of the Company;
- 10) Based on our examination as above, and the information and explanations given to us, in our opinion:
  - (i) The Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view properly determined in accordance with section 68(2) read with proviso of the Act, Regulation 4(i),proviso to Regulation 5(i) of the SEBI Buy-Back Regulations and
  - (ii) The Board of Directors, in their meeting held on November 24, 2020 have formed the opinion, as specified in clause (X) of the Schedule I of the Regulations, on reasonable grounds, that the Company will not ,having regulations to its state of affairs, be rendered insolvent within period of one year from November 24, 2020 and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

### **Restriction on Use**

This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buyback Regulations, (ii) to enable the board of directors of the Company to include in the public announcement and other documents pertaining to the Buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, Stock Exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository

Services (India) Limited, National Securities Depository Limited and (iii) for providing to the merchant banker appointed in connection with the Buyback, may not be suitable for any other purpose.

For **Chanani & Associates**

Chartered Accountants

**FRN:** 325425E

**Madhaw Chanani**

Partner

**Membership No.:** 060624

**UDIN:** 20060624AAAAAU9150

**Place:** Kolkata

**Date:** November 24, 2020

Annexure A

**Statement of permissible capital payment of Sreeleathers Limited**

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Companies Act, 2013 ("Act") based on Audited Financial Statements as at and for the year ended March 31, 2020:

Audited Financial Statements as at March 31, 2020	Amount (₹ in Lakhs)
<b>Subscribed and Paid up capital (2,51,55,012) shares of ₹10/- each) [A]</b>	2515.50
<b>Free Reserves</b>	
Profit and loss account balance	15,782.63
<b>General reserve</b>	
Securities Premium	14,077.43
<b>Total Free Reserves [B]</b>	<b>29,860.06</b>
<b>Total paid up capital and free reserves [A + B]</b>	32,375.56
Maximum amount permissible for the Buy-back being lower of:	
(a.) 25% of total paid-up equity capital and free reserves as on March 31, 2020 (in accordance with section 68(2)(c) of the Act	8,093.89
(b.) Maximum amount permissible for the Buy-back from the open market i.e. less than 10% of total paid-up equity capital and free reserves (in accordance with provisions to Buy-back Regulations)	3,237.56
(c.) Amount approved by the Board of Directors at the meeting held on November 24, 2020	3,200.00

**UNQUOTE**

**PART B-DISCLOSURES IN ACCORDANCE WITH PART B OF SCHEDULE II OF THE BUYBACK REGULATIONS**

**1. DATE OF BOARD APPROVAL FOR THE BUYBACK:**

The Buyback has been approved by the Board in the Board Meeting held on November 24, 2020 Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68(2)(b) of the Act, the approval from the shareholders of the Company is not required.

**2. THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUY-BACK**

**2.1.** At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 20,00,000 i.e. the Maximum Buyback Shares. If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size.

**2.2.** Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e. the Minimum Buyback Size towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the indicative minimum number of Equity Shares to be purchased by the Company is 10,00,000 Equity Shares.

**2.3.** The Buyback (including the Transaction Costs) will be funded out of the free reserves, securities premium account and/or such other sources as may be permitted by the Buyback Regulations and the Companies Act and on such terms and conditions as the Board may deem fit. In terms of Section 69 of the Act, the Company shall transfer from its free reserves or securities premium account a sum equal to the face value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account, and the details of such transfer shall be disclosed in its subsequent audited financial statements.

**3. PROPOSED TIMETABLE:**

<b>Activity</b>	<b>Date</b>
Board Meeting approving Buy-back	November 24, 2020
Date of publication of PA	November 26, 2020
Date of opening of the Buy-back	December 04, 2020
Acceptance of Equity Shares	Upon the relevant pay-out by the Stock Exchanges
Extinguishment of Equity Shares in Dematerialised form	In case the Equity Shares bought back are in dematerialized form the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended and the bye-laws framed thereunder.
Last Date for the Buy-back	<ol style="list-style-type: none"> <li>June 03, 2021 (i.e. within 6 months from the date of opening of the Buy-back) OR</li> <li>When the Company completes the Buyback by deploying the amount equivalent to the Maximum buyback Size , OR</li> <li>At such earlier date as may be determined by the Board after giving notice of such early closure, subject to the Company having deployed an amount equivalent to the Minimum Buy-back Size (even if the Maximum Buy-back Size has not been reached or the Maximum Buy-back Shares have not been bought back). However, that all payment obligations relating to the Buyback shall be completed before the last date for the Buy-back</li> </ol> <p>Whichever is earlier out of above</p>

**4. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK**

- 4.1.** The Buyback is open to all shareholders of the Company holding Equity Shares in dematerialised form (“**Demat Shares**”). Shareholders holding Equity Shares in physical form can participate in the Buyback after such Equity Shares are dematerialized by approaching depository participant. However, as per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.
- 4.2.** Further, as required under the Companies Act and Buyback Regulations, the Company will not Buyback Equity Shares which are partly paid-up, the Equity Shares with call-in-arrears, locked-in Equity Shares or non-transferable Equity Shares, until they become fully paid-up, or until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable
- 4.3.** The Buyback will be implemented by the Company by way of open market purchases through the Stock Exchanges, by the order matching mechanism except “**all or none**” order matching system, as provided under the Buyback Regulations.
- 4.4.** For the implementation of the Buyback, the Company has appointed S W Capital Private Limited as it’s Broker (“**Company’s Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company.  
The contact details of the Company’s Broker is as follows:  
**S W Capital Private Limited**  
4<sup>th</sup> Floor, Sunteck Centre, 37/40,  
Subhash Road, Near Garware House,  
Vile Parle (E), Mumbai-400 057  
Maharashtra  
**Contact Person:** Mr. Hemant Shah  
**E-Mail ID:** Hemant.shah@swcapital.in  
**SEBI Registration No.:** INZ 230013039 (NSE) / INZ 010013035 (BSE)  
**Tel. No.:** + 91 22 4268 7451/39  
**Fax No.:** + 91 22 4268 7436
- 4.5.** The Equity Shares are traded in compulsory dematerialised mode under the trading code as ‘535601’ at BSE and SYMBOL ‘SREEL’ at NSE. The ISIN of the Equity Shares of the Company is INE099F01013.
- 4.6.** The Company shall, commencing from December 04, 2020 (i.e., the date of opening of the Buyback), place “buy” orders on the Stock Exchanges on the normal trading segment to buyback the Equity Shares through the Company’s Broker, in such quantity and at such price, not exceeding the Maximum Buyback Price of



₹160 (Rupees One hundred and Sixty only) per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as purchaser shall be available to the market participants of the Stock Exchanges.

- 4.7. Procedure for Buyback of Demat Shares:** Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of either of the Stock Exchanges i.e. BSE or NSE by indicating to their Broker the details of the Equity Shares they intend to sell whenever the Company has placed a “buy” order for Buyback of the Equity Shares. The Company shall place a “buy” order for Buyback of Demat Shares, by indicating to the Company’s Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order, issuance of contract note and delivery of the stock to the member and receipt of payment would be carried out by the Company’s Broker in accordance with the requirements of the Stock Exchanges and SEBI. Orders for Equity Shares in electronic form can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place a “buy” order on a daily basis. The orders for buying back the Equity Shares will be placed on normal trading segment of either of Stock Exchanges i.e. BSE or NSE at least once a week.
- 4.8.** It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.
- 4.9.** Shareholders are requested to get in contact with Mark Corporate Advisors Private Limited (“**Merchant Banker**”) or the Company’s Broker or the Registrar of the Company to clarify any doubts in the process.
- 4.10. Procedure for Buyback of Physical Shares:** As per the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI’s press releases dated December 03, 2018, and March 27, 2019, effective from April 01, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository (“**LODR Amendment**”). In light of the LODR Amendment and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Company shall not accept the Equity Shares under the Buyback unless such Equity Shares are in dematerialised form. **ACCORDINGLY, ALL SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF PARTICIPATING IN THE BUYBACK ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. IN CASE ANY SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUYBACK BEFORE BUYBACK CLOSING DATE.**
- 4.11.** Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any additional Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buyback Size has not reached, and / or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. The Company is under no obligation to utilize the entire amount of Maximum Buyback Size or buy Maximum Buyback Shares. However, if the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the escrow account (up to a maximum of 2.5% of the Maximum Buyback Size), shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.
- 4.12.** Eligible shareholders who intend to participate in the Buyback should consult their respective tax advisors for applicable taxes
- 4.13.** The Company shall intimate the Stock Exchange of the quantity of Equity Shares purchased and the amount utilized for the Buy-back on a daily basis in accordance with the Buy-back Regulations. The details will also be available on the website of the Company i.e. [www.sreeleathers.com](http://www.sreeleathers.com) on the daily basis.
- 5. METHOD OF SETTLEMENT**
- 5.1. Settlement of Demat Shares:** The Company will pay consideration for the Buy-back to the Company’s Broker on or before every pay-in date for each settlement, as applicable to the respective Stock Exchanges where the transaction is executed. The Company has opened a depository account titled “**M/S SREELEATHERS LIMITED-BUYBACK-DEMAT ESCROW ACCOUNT**” with the Company’s

Broker (“**Buy-back Demat Escrow Account**”). Demat Shares bought back by the Company will be transferred into the Buy-back Demat Escrow Account by the Company’s Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buy-back, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective depository participant (“**DP**”) for debiting their beneficiary account maintained with the DP and crediting the same to the broker’s pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company’s broker or the Registrar to the Buyback, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company, as applicable.

**5.2. Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018, as amended and its bye-laws, in the manner specified in the SEBI Buy-back Regulations and the Companies Act. The Equity Shares lying in credit in the Buy-back Demat Escrow Account will be extinguished within fifteen (15) days of acceptance of the Demat Shares, provided that the Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within seven (7) days of the expiry of buyback period.

## 6. BRIEF INFORMATION ABOUT THE COMPANY

**6.1.** Sreeleathers Limited was incorporated on January 14, 1991 in the State of West Bengal as Cat Commercial Service Private Limited vide Registration No. 21-50656 of 1991. Further, the Name of the Company was changed to Cat Commercial Services Limited pursuant to conversion of Company from Pvt. Ltd. to Public Limited on March 27, 1996. The name of the Company was further changed on November 28, 1996 to Cat Financial Services Limited and lastly the name of the Company was changed to Sreeleathers Limited on October 04, 2010.

**6.2.** The Company is in the business of dealing in all kinds of footwear and leather accessories. The Company is also engaged as retailer and wholesaler of footwear and leather articles.

## 7. BRIEF FINANCIALS OF THE COMPANY

**7.1.** The financial information on the basis of audited financial statements of the company for the last three financial years ended on FY 2019-2020, FY 2018-2019, FY 2017-2018 and un-audited financial statements for the three months ended June 30, 2020 certified/limited review by Statutory Auditors are as under:

(Rs. In Lakhs)

Particulars	For three months period ended June 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Un-audited*	Audited**		
Operating Income	325.56	17,304.83	16,765.89	14,096.27
Other Income	3.97	32.00	43.70	192.83
<b>Total Income</b>	<b>329.53</b>	<b>17,336.83</b>	<b>16,809.59</b>	<b>14,289.09</b>
Expenses (excluding Finance Cost, Depreciation and Amortisation and Exceptional Items)	<b>388.61</b>	<b>13,317.91</b>	<b>13,003.70</b>	<b>10,893.41</b>
Finance Cost/Interest	0.32	8.97	12.62	14.82
Depreciation & Amortisation	24.95	100.52	117.82	126.20
<b>Profit Before Tax</b>	<b>-84.35</b>	<b>3,909.42</b>	<b>3,675.46</b>	<b>3,254.67</b>
Exceptional Items [(Expenses)/Income]			745.01	
Tax Expenses				
Current Tax	-	1,041.61	1,333.78	1,130.39
Deferred Tax/(Credit)	-4.19	-16.26	-22.26	-19.36
Income Tax for earlier years	0.01	8.06	0.84	6.46
<b>Profit After Tax</b>	<b>-80.17</b>	<b>2,876.02</b>	<b>3,108.10</b>	<b>2,137.18</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss	463.87	-	-	-
Investment in Equity Instruments through other comprehensive income	-	1,002.13	714.14	444.84

Measurement of defined employee benefit plans	-	5.14	-	-
Income Tax relating to above items	-	-177.90	-102.72	-
<b>Total Other Comprehensive Income</b>	<b>383.70</b>	<b>3,705.39</b>	<b>3,719.52</b>	<b>2,582.02</b>
Paid-up Equity Share Capital	2,515.50	2,515.50	2,515.50	2,515.50
Other Equity	30,486.99	29,860.06	26,424.03	22,990.32
Net Worth	33,002.49	32,375.56	28,939.53	25,505.82
Total Debt	14.38	14.38	118.97	110.06

\* Source: Limited review financial results of the Company for the period ended June 30, 2020.

\*\* Source: Annual Reports of the Company for the respective financial years.

Particulars	For three months period ended June 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Unaudited	Audited	Audited	Audited
Basic Earnings per Equity Share	-0.32	11.43	12.36	8.50
Diluted Earnings per Equity Share	-0.32	11.43	12.36	8.50
Book Value per share (₹)	131.20	128.70	115.04	101.39
Debt/Equity Ratio	0.0004	0.0004	0.0041	0.0043
Return on Net worth (%)	-0.24%	8.88%	10.74%	8.38%

Key Ratios	Basis
Basic Earnings per share (₹)	Net Profit attributable to equity shareholders / Number of shares outstanding during the year
Diluted Earnings per share (₹)	Net Profit attributable to equity shareholders / Number of shares outstanding during the year (assuming issuing of all shares kept in abeyance)
Book Value per share (₹)	(Paid up equity share capital + Reserves and Surplus)/Number of Equity Shares outstanding at year end.
Debt-Equity Ratio	Total Debt / Net Worth
Return on Net worth	Net Profit after Tax / Net worth

## 8. DETAILS OF ESCROW ACCOUNT

- 8.1.** In accordance with Regulation 20 of the Buyback Regulations and towards security performance of its obligations under the Buyback Regulations, the Company has entered into an Escrow Agreement dated November 24, 2020 (“**Escrow Agreement**”) with the Manager to the Buy Back Offer and HDFC Bank Limited (“**Escrow Bank**”) pursuant to which the company has opened an Escrow Account titled “**SREELEATHERS LIMITED-ESCROW ACCOUNT**”. The Company has authorized the Merchant Banker to operate the Escrow Account in compliance with the Buy-back Regulations and the Escrow Agreement. The Company will be depositing in the Escrow Account cash aggregating to ₹8,00,00,000 (Rupees Eight Crores only), being 25% of the Maximum Buyback Size (“**Cash Escrow**”) in accordance with the Buyback Regulations.
- 8.2.** The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback size remaining in the Escrow Account at all points in time.
- 8.3.** If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the Escrow Account, shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.
- 8.4.** The balance lying to the credit of the Escrow Account shall be released to the Company on completion of all obligations in accordance with the Buyback Regulations.

## 9. LISTING DETAILS AND STOCK MARKET DATA

- 9.1.** The Equity shares of the Company are listed on BSE Ltd. (BSE), National Stock Exchange of India Ltd. (NSE) and the Calcutta Stock Exchange Limited (CSE).
- 9.2.** The high, low and average market prices of the Equity Shares for the preceding three years and the monthly high, low and average market prices of the Equity Shares for the six months preceding of this Public Announcement and their corresponding volumes on the BSE and NSE are as follows:

### BSE

Twelve	High	Low	Volume	Total
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months period ended	High Price*	Date of High	No. of Equity Shares traded on that date	Low Price*	Date of Low	No. of Equity Shares traded on that date	Weighted Average Price (₹)	volume traded in the period
FY 2017-2018	311.40	December 20, 2017	43,000	122.45	April 20, 2017	255	227.91	11,59,279
FY 2018-2019	286.00	May 29, 2018	593	160.10	October 09, 2018	2,26	228.84	5,84,139
FY 2019-2020	230.35	April 02, 2019	472	94.50	March 24, 2020	501	157.65	13,65,563

\*The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

Last six months	High			Low			Volume Weighted Average Price (₹)	Total volume traded in the period
	High Price*	Date of High	No. of Equity Shares traded on that date	Low Price*	Date of Low	No. of Equity Shares traded on that date		
May 2020	119.90	May 04, 2020	13	111.60	May 12, 2020	67	115.22	2,730
June 2020	145.60	June 10, 2020	3,356	123.00	June 01, 2020	434	133.97	63,825
July 2020	137.80	July 06, 2020	21,141	123.60	July 30, 2020	1,157	128.07	3,26,626
August 2020	151.80	August 27, 2020	11,078	130.45	August 03, 2020	7,090	139.63	3,18,678
September 2020	145.00	September 18, 2020	19,614	130.20	September 24, 2020	921	138.68	1,34,285
October 2020	136.45	October 30, 2020	2,744	130.05	October 28, 2020	261	132.91	42,037

\* The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

(Source: www.bseindia.com)

#### NSE

Twelve months period ended	High			Low			Volume Weighted Average Price (₹)	Total volume traded in the period
	High Price*	Date of High	No. of Equity Shares traded on that date	Low Price*	Date of Low	No. of Equity Shares traded on that date		
FY 2017-2018	310.95	December 20, 2017	2,08,597	118.40	April 18, 2017	3,643	230.58	62,76,017
FY 2018-2019	289.80	May 17, 2018	18,943	159.00	October 09, 2018	14,622	236.79	49,19,791
FY 2019-2020	228.35	April 01, 2019	11,631	95.15	March 24, 2020	7,168	168.84	23,73,834

\* The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

Last six months	High			Low			Volume Weighted Average Price (₹)	Total volume traded in the period
	High Price*	Date of High	No. of Equity Shares traded on that date	Low Price*	Date of Low	No. of Equity Shares traded on that date		
May 2020	120.30	May 04, 2020	3,790	112.25	May 19, 2020	1,257	115.65	64,293
June 2020	146.00	June 05, 2020	24,490	123.30	June 01, 2020	4,373	136.65	2,19,401
July 2020	137.20	July 06, 2020	25,216	123.75	July 30, 2020	5,010	130.89	2,81,302
August 2020	152.20	August 27, 2020	83,372	130.05	August 03, 2020	13,577	143.12	4,08,395
September 2020	146.15	September 16, 2020	15,392	130.30	September 23, 2020	25,986	137.80	2,13,632
October 2020	136.45	October 30, 2020	8,103	129.05	October 28, 2020	4,602	132.76	1,05,842

\* The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

(Source: www.nseindia.com)

Note: There was no trading in the Shares of the Company on CSE for the above aforesaid period.

**9.3.** There has been no change in the Share Capital of the Company including by way of bonus issue, rights issue or consolidation or split of Equity Shares during the period for which data has been disclosed in the above table.

**9.4.** Notice of the Board Meeting to consider the proposal of the Buyback was given to the NSE, BSE and CSE on November 19, 2020. The Board, at its meeting held on November 24, 2020 approved the proposal for the Buyback at a maximum price of ₹160 (Rupees One Hundred and Sixty only) per Equity Share and the outcome was sent to all three Stock Exchanges on the same day. The trading in shares of the Company is presently suspended on CSE. The closing market price of the Equity Shares on NSE and BSE, during this period, are summarised below:

Event	Date	BSE (₹)	NSE (₹)
Notice of the Board Meeting sent to Stock	November 19, 2020	139.30	139.90

Exchanges to consider the proposal of the Buyback			
1 Trading Day Post-Notice of Board Meeting	November 20, 2020	144.30	145.05
1 Trading Day Prior to Board Meeting	November 23, 2020	149.25	149.10
Board Meeting Date	November 24, 2020	150.35	149.95
1 Trading Day Post-Board Meeting	November 25, 2020	143.70	144.10

## 10. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1. The capital structure of the Company as on the date of this Public Announcement i.e. November 26, 2020 and the proposed capital structure of the Company post the completion of the Buyback is set forth below:

, Particulars	₹ in lakhs (As on the date of this Public Announcement)	₹ In lakhs (Post completion of the Buyback)
Authorized share capital: 2,60,00,000 Equity Shares of Rs. 10 each	2600.00	2600.00
Issued, subscribed and fully paid-up share capital: 2,51,55,012 Equity Shares of ₹10 each	2515.50	2315.50

Note: Assuming that the indicative Maximum Buyback shares are bought back, the post Buyback issued, subscribed and paid-up capital will differ depending upon the actual number of Equity shares bought back.

10.2. As on date of this Public Announcement, there are no Equity Shares which are partly paid-up, or with call-in-arrears and there are no outstanding instruments convertible into Equity Shares.

10.3. The Shareholding Pattern of the Company as on September 30, 2020 (pre-Buyback) and the proposed shareholding pattern of the Company post the completion of Buyback is given below:

Shareholder	Pre-Buyback		Post Buyback*	
	No. of Equity Shares	% of Equity Shares	No. of Equity Shares	% of Equity Shares
(A) Promoter & Promoter Group	1,67,38,824	66.54	1,67,38,824	72.29
(B) Public	84,16,188	33.46	64,16,188	27.71
(C1) Shares underlying DR's	Nil	0.00	Nil	0.00
(C2) Shares held by Employee Trust	Nil	0.00	Nil	0.00
(C) Non Promoter-Non Public (C=C1+C2)	Nil	0.00	Nil	0.00
Grand Total (A+B+C)	2,51,55,012	100.00	2,31,55,012	100.00

Note: Assuming that the indicative Maximum Buyback shares are bought back, the post Buyback issued, subscribed and paid-up capital will differ depending upon the actual number of Equity shares bought back.

As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoter and members of the promoter group of the Company and their associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and members of the promoter group of the Company) from the date of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters and members of the promoter group of the Company) from the date of the Public Announcement till the completion of the Buyback.

10.4. For the aggregate shareholding of the promoter and members of the promoter group of the Company as on the date of the Board Meeting i.e. November 24, 2020, please refer to Paragraph 5.1 of Part A. For the details of the transactions undertaken by the promoter and members of the promoter group of the Company, please refer to Paragraph 5.2 of Part A.

## 11. MANAGEMENT DISCUSSION AND ANALYSIS ON THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

11.1. The Buyback is expected to enhance overall long-term shareholders' value for continuing shareholders, without compromising on the future growth opportunities of the Company, as well as provide an exit opportunity to the public shareholders. The Buyback is not likely to cause any material adverse impact on the earnings of the Company, except a reduction in the treasury income which the Company could have otherwise earned from investments in fixed deposits and mutual funds. The Company will also bear the cost of the Buyback transactions.

11.2. The Buyback is proposed, considering the accumulated surplus funds available with the Company being in excess of the surplus amount needed to be retained by the Company for future growth of the Company as envisaged by the Board of Directors.

- 11.3. The Buyback will be funded from the accumulated surplus funds available with the Company, in the form of cash and/or investments in fixed deposits and mutual funds, and will be drawn out of free reserves and the securities premium account of the Company and in accordance with section 68(1) of the Act and Regulation 4(ix) of Buyback Regulations
- 11.4. The Buyback may lead to reduction in outstanding Equity Shares, improvement in earnings per share and enhanced return on equity, assuming that Company would earn similar profits as in the past.
- 11.5. Pursuant to Regulation 16(ii) of the Buyback Regulations, the Promoters and promoter group will not participate in the Buyback. The Buyback will not result in change control or otherwise affect the existing management of the company.
- 11.6. Consequent to the Buyback (which excludes participation by the Promoters and promoter group) and based on the number of Equity shares bought back by the Company, the shareholding pattern of the Company would undergo a change; however public shareholding shall not fall below 25% of the total fully paid-up Equity Share capital of the Company.
- 11.7. In accordance with Section 68(2)(d) of the Act the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share Capital and free reserves post the Buyback based on audited financial statements of the Company.
- 11.8. In compliance with the provisions of the Buyback Regulations, the Company shall not raise further capital for a period of one (1) year from the closure of the Buyback, except in discharge of its subsisting obligations. Further, the Company shall not issue any Equity Shares or other securities including by way of bonus issue or convert any outstanding instruments into Equity Shares or other Securities including by way of bonus issue or convert any outstanding into Equity Shares, till the date of closure of the Buyback in accordance with the Act Buyback Regulations.
- 11.9. Unless otherwise determined by the Board of Directors or as may be directed by the appropriate authorities, the Buyback will be completed within a maximum period of 6 (six) months from the date of opening of the Buyback. In accordance with Buyback Regulations, the Company shall not withdraw the Buyback post Public Announcement.

## **12. STATUTORY APPROVALS**

- 12.1. Pursuant to Section 68, 69, 70 and all other applicable provisions of the Act and applicable rules thereunder and the provisions of Buyback Regulations and Article 9(vi) of the Articles of Association of the Company, the Company has obtained Board of Director's approval as mentioned above.
- 12.2. The Buyback is subject to receipt of such sanctions and approvals from statutory, regulatory or governmental authorities as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares are listed, namely, National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") and The Calcutta Stock Exchange Limited, Kolkata ("CSE") (hereinafter together referred to as the "Stock Exchanges").
- 12.3. The shareholders shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India and/or the SEBI, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Company's Broker.
- 12.4. The Buyback shall be subject to such necessary approvals as may be required, and the Buyback from overseas corporate bodies and other applicable categories shall be subject to such approvals of the Reserve bank of India, if any, under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.
- 12.5. To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buyback as on date of this Public Announcement. Subject to the obligation of the shareholders to obtain consents and approvals necessary for transfer of their Equity Shares to the Company as set out in Paragraph 12.3 above, the Company shall obtain such statutory approvals as may be required, from time to time, if any for completion of Company's obligations in relation to the Buyback.

## **13. COLLECTION AND BIDDING CENTRES:**

The Buyback will be implemented by the Company by way of open market purchase through Stock Exchange using their nationwide trading terminals. Therefore, the requirement of having collection centres and bidding centres is not applicable.

## **14. COMPLIANCE OFFICER AND INVESTOR SERVICE CENTRE:**

Investors may contact Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e., 10:00 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays. Mr. Bijoy Kumar Roy, Company Secretary & Compliance Officer Address: 6, Totte Lane, Kolkata-700 016; Contact Details: +91 33 2217 6468.

## **15. REGISTRAR TO THE BUYBACK**

In case of any query, the shareholders may also contact Niche Technologies Pvt. Ltd., the Registrar and Share Transfer Agent of the Company, appointed as the Investor Service Centre for the purposes of the Buyback, on any day except Saturday and Sunday and public holiday between 10.00 a.m. to 5:00 p.m. at the following address:

**Niche Technologies Pvt. Ltd.** having its office at 3A, Auckland Place, 7<sup>th</sup> Floor, Room No. 7A & 7B, Kolkata-700 017 is appointed as the Investor Service Centre for the purpose of the Buyback, in terms of Regulation 19(3) of the Buyback Regulations. Name of the Contact Person: Mr. S. Abbas; Tel No.: +91 33 2280 6616/6617/6618 Fax No.: +91 33 2280 6619 ; E-Mail id: nichetechpl@nichetechpl.com

**16. MERCHANT BANKER/MANAGER TO THE BUYBACK OFFER:**



**Mark Corporate Advisors Private Limited**

**CIN:U67190MH2008PTC181996**

404/1, The Summit Business Bay,  
Sant Janabai Road (Service Lane),  
Off W. E. Highway, Vile Parle (East),  
Mumbai-400 057.

**Contact Person:** Mr. Manish Gaur

**Tel. No.:** +91 22 2612 3207/08

**E-Mail:** buyback@markcorporateadvisors.com

**SEBI Registration No.:** INM000012128

**17. DIRECTOR'S RESPONSIBILITY:**

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors accepts full and final responsibility for the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.

**For and on Behalf of Board of Directors of  
Sreeleathers Limited**

<b>Date: November 25, 2020</b>	<b>Sd/- Satyabrata Dey DIN: 00569965 Managing Director</b>	<b>Sd/- Shipra Dey DIN: 00570021 Whole Time Director</b>	<b>Sd/- Bijoy Kumar Roy Company Secretary</b>
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