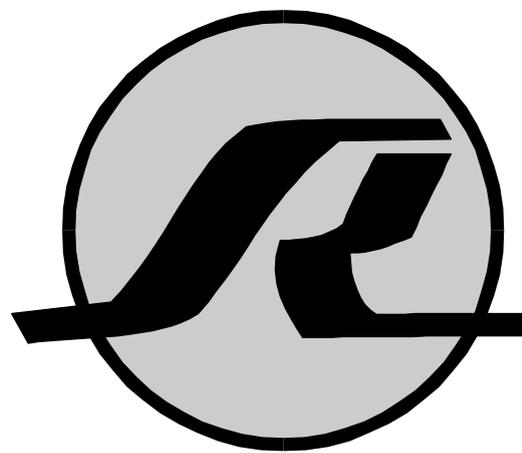


Twenty Ninth Annual Report **2017-18**



S. R. INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. R. K. Bhandari
Chairman
DIN : 00354242

Mr. R. C. Mahajan
Managing Director
DIN : 00038661

Mr. M. M. Puri
Independent Director
DIN : 01711466

Mr. Amit Mahajan
Director (Commercial)
DIN : 00038593

Mrs. Seema Mahajan
Independent Director
DIN : 06978146

Mr. Amit Mahajan
Director (Operations)
DIN : 00038827

AUDIT COMMITTEE

Mr. R. K. Bhandari
Chairman

Mr. M. M. Puri
Member

Mr. Amit Mahajan
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. M.M. Puri
Chairman

Mr. R. K. Bhandari
Member

Mrs. Seema Mahajan
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mrs. Seema Mahajan
Chairman

Mr. Amit Mahajan
Director (Operations), Member

Mr. Amit Mahajan
Director (Commercial), Member

RISK MANAGEMENT COMMITTEE

Mr. R. C. Mahajan
Chairman

Mr. Amit Mahajan
Director (Operations)

Mr. Amit Mahajan
Director (Commercial)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Samandeep Kaur

CHIEF FINANCIAL OFFICER

Mr. Amit Mahajan

STATUTORY AUDITORS

M/s NJ & Associates

BANKERS

State Bank of India
UCO Bank

REGD. OFFICE

E 217, Industrial Area,
Phase VIII B, Mohali-160071 (Punjab)

WORKS

Village Singha, Teh. Haroli,
Distt. Una (H.P.)

TWENTY NINTH ANNUAL GENERAL MEETING

27th day of September, 2018 i.e Thursday at 09.00 A.M. at the Registered Office of the Company at E-217, Industrial Area, Phase VIII B, Mohali.

➤ **NO GIFTS OR COMPANY'S PRODUCT WILL BE GIVEN FOR ATTENDING THE MEETING**

➤ **MEMBERS ARE REQUESTED TO KINDLY BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their TWENTY NINTH ANNUAL REPORT and the Audited Statement of Accounts for the year ended March 31, 2018.

FINANCIAL RESULTS	(Rs./lacs)	
	2017-18	2016-17
Turnover	3778.06	4473.43
Other Income	33.97	66.84
Profit/(Loss) before interest, depreciation and taxation	242.84	925.35
Financial expenses	(429.32)	(618.42)
Profit/(Loss) before depreciation & taxation	(186.48)	306.93
Depreciation	(213.42)	(207.87)
-Deferred Tax	(7.69)	35.20
OTHER COMPREHENSIVE INCOME		
Re-measurement Gains/(losses) on defined benefit plans	19.23	(17.21)
Income Tax Effect	(5.94)	5.32
Net profit/(loss) after tax	(394.30)	122.37
Earning per share (Rs.)		
- Basic/Diluted	(2.93)	0.96

FUTURE PROSPECTS

The board of directors inform that the company produced 0.81 Million pairs of shoes, sandals and other footwear during the current year as against 1.05 million pairs during the previous year. This decline is primarily due to lower demand for the company's products mainly on account of the structural shift in the business mechanism. The Economy has shifted to GST mechanism from 1st July 2017 and this change led to uncertainties in business scenario, lower demand by traders and reduced purchasing by consumers. The Company has faced this challenging scenario head on with redoubled efforts to develop new products and broaden its customer base. With the improvement in product mix as well as new customer relationships, the Company is looking towards improved performance in the coming years.

DIVIDEND

In view of inadequate profits, your directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The company has transferred ₹3,94,30,529/- as loss during the year to Reserves & Surplus.

SHARE CAPITAL

The paid up Equity share capital as on 31st March, 2018 was ₹13.88 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity shares. There is no change in the share capital of the Company. Further, the Company had issued and allotted 47,00,000 Compulsorily Convertible Debentures of Rs. 10 each and 15,00,000 Compulsorily Convertible Warrants of Rs. 10 each. These Compulsorily Convertible Debentures and Compulsorily Convertible Warrants will be converted into equity shares on completion of 15 months from the date of their allotment. However, the amount raised through the issue of compulsory convertible Debentures and compulsory convertible Warrants was used for the purpose for which the amount was raised.

FINANCE

(a) Working Capital

The working capital limits stood at ₹22.86 crores as on 31st March, 2018.

(b) Term Loan

The term loans stood at 10.29 crores as on 31st March, 2018.

(c) Deposits

The Company has not accepted any deposits from the public during the year under review.

(d) Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

No loans, guarantees or investments under Section 186 of the Companies Act, 2013 have been given by the Company.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT

Following material changes took place between the end of financial year and date of report:

Your Company received a notice under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 from the State Bank of India to discharge the liabilities due and owing to the Bank to the tune of Rs. 17.03 crores as on 01.05.2018 with future interest and incidental expenses, costs, etc. The bank has further informed that the account of the Company has become NPA. Moreover, your Company had been informed that in case the Company fails to repay or discharge the liabilities, the Bank will exercise all or any of the rights detailed under Sub Section (4) of Section 13 and other applicable provisions of the SARFAESI Act.

Your Company is on discussions with the bankers for restructuring of borrowings and other remedies to recall the notice.

FRAUDS REPORTED BY AUDITORS U/S 142(12)

Your company has complied with all the provisions of Section 143 of the Companies Act, 2013. Hence, there are no frauds reported by the Auditors other than those which are reportable to the Central Government. Further, no fraud has been reported to the Central Government.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your company does not have any subsidiary / associate / joint ventures within the meaning of Companies Act, 2013 and Accounting Standards.

BUSINESS RISK MANAGEMENT

In line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a "Risk Management Policy" to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. The constitution of Risk Management Committee is not applicable to the Company. The details of the policy are annexed at **Annexure 1** herewith the Board's Report. Further, as per the provisions of Regulation 17 read with the responsibilities of the board, the Board of directors timely assess, identify and review the risks in the company which may hamper the growth, sustainability or profitability of the company.

INTERNAL FINANCIAL CONTROL SYSTEM

Effective and strong internal control systems are developed in the Company for all major processes to ensure reliability of financial reporting, safeguarding of assets and economical and efficient use of resources as also the compliance of laws, regulations, policies and procedures etc. The Company's internal control systems are audited by Internal Auditors, M/s Aaryaa & Associates, Chartered Accountants. The Internal Auditor independently evaluates the adequacy of internal controls and reviews major transactions. The Internal Auditor report is directly reported to the Audit Committee to ensure complete independence.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a "Whistle Blower Policy / Vigil Mechanism" to deal with the instance of fraud and mismanagement, if any. The details of the policy are annexed at **Annexure 2** herewith the Board's Report and also posted on the website of the Company at www.srfootwears.com.

RELATED PARTY TRANSACTIONS

Salary given to Mr. Munish Mahajan Rs. 1.5 Lakhs per month. The

details of the same are given in Form AOC-2 and is annexed herewith.

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

There were no significant and material orders passed by the Regulators, Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of Company, Mr. Amit Mahajan, (DIN: 00038827), Director (Operations), shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Declarations pursuant to Section 149(6) of the Companies Act, 2013 have been submitted by all the Independent Directors.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee and the Independent Directors in their meeting have carried out an annual performance evaluation of the directors individually, board as a whole as well as the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of the Board's Report. Since the Directors were satisfied with the evaluation results, there were no observations in the board evaluation carried out for the year, hence no action was proposed. The previous year's observations in the board evaluation were nil and hence no action was warranted.

REMUNERATION POLICY

The board has approved the policy framed by the Nomination and Remuneration Committee for selection and appointment of Directors, senior management and their remuneration. The Remuneration Policy is annexed at **Annexure 3** herewith this report.

MEETINGS

During the year, eight board meetings were held on 30th May, 2017, 10th August, 2017, 14th September, 2017, 18th October, 2017, 30th November, 2017, 14th December, 2017, 2nd February, 2018, and 14th February, 2018. The attendance of directors and the details thereof are provided in the Corporate Governance Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year Calendar Year 2017:

- a) No. of Complaints received in the year: NIL
- b) No. of complaints disposed off during the year: NIL
- c) No. of cases pending for more than 90 days: NIL
- d) No. of workshops or awareness program against sexual harassment carried out: 2
- e) Nature of action taken by the employer: NA

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed to this report. The Certificate issued by the Practicing Company Secretary, in pursuance of Regulation 34(3) read with Schedule V of the above mentioned regulations, is also annexed with this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your directors state that:

- i) In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures;

- ii) Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the company for the year ended on that date;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis;
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

1. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s N J & Associates, Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company and they shall hold office till the conclusion of the Annual General Meeting to be held for the Financial Year 2021-22.

2. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R. P. S. Khurana & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed at Annexure 6 forming part of this report.

MANAGEMENT'S REPLY ON QUALIFICATIONS BY AUDITOR S

The Management provides the following explanation for the adverse remarks/ qualifications made by the Secretarial Auditor and the statutory auditor during their respective audit:

The Observations of the Auditors are self explanatory and needs no further clarification.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sr. No.	Name of the Directors	Median Remuneration	Ratio
1	R. C. Mahajan	182400	19.74
2	Amit Mahajan	182400	11.84
3	Amit Mahajan	182400	11.84

1. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: No increase
2. The percentage increase in the median remuneration of employees in the financial year: No increase
3. The number of permanent employees on the rolls of company: 236
4. 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

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in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: No increase
Affirmation that the remuneration is as per the remuneration policy of the company: The Nomination and Remuneration Committee of the Company has confirmed that the remuneration was as per the Remuneration Policy of the Company.

vendors, suppliers, dealers, customers, shareholders, investors reposed in the Company. Your directors also place on record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company.

For and on behalf of the Board

Place: Mohali
Date : August 14, 2018

sd/-
(R.K.BHANDARI)
Chairman

Disclosure pertaining to details of top ten employees in terms of remuneration drawn as required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

Name & Designation	Remuneration received (in lacs)	Nature of Employment	Qualifications and Experience	Date of commencement employment	Age (as on 31/03/18)	Last employment held before joining the Co.	%age of equity Shares held by the employees in the Company	Whether any such employee is a relative of any director or manager of the company & if so, name of such director or manager
Munish Mahajan Vice President	18.0	Permanent	B.Com (Hons) 21+ yrs	4/1/15	46 yrs	Own Business	0	Yes He is Brother of Mr. Amit Mahajan Director (Comm) (DIN :00038593)
Vikram Sharma Development Mgr.	7.80	Permanent	Dip. in Footwear, Graduation 9+ yrs	3/1/17	31 yrs	Alpine Shoes	0	NO
Rajesh Kaushal Mgr-Acct. & Fin.	7.20	Permanent	B.Com 31+ yrs	20/9/11	51 yrs	Astra Lighting	0	NO
Sanjeev Sharma Mgr- P & A	6.00	Permanent	B.A 30+ yrs	23/4/09	51 yrs	Self Employed	0	NO
Ravi Kant Production Supervisor	5.40	Permanent	B.A 10+ yrs	1/1/18	36 yrs	SSIPL	0	NO
C M Pandey Mgr- HR	4.92	Permanent	MBA,LLB 13+ yrs	3/4/10	40 yrs	Chemboard Chemicals Ltd.	0	NO
Jitendra Misha Production Incharge	4.8	Permanent	B.Sc 10+ yrs	23/03/18	34 yrs	Relaxo Footwears	0	NO
Rahul Kumar Developer	4.32	Permanent	B.Sc. Diploma 6+ yrs	25/03/17	29 yrs	SSIPL	0	NO
Akhilesh Kumar Supervisor	4.08	Permanent	B.A 4+ yrs	6/6/17	31 yrs	SSIPL	0	NO
Shawinder Chauhan Sr. Accounts Officer	3.84	Permanent	M.Com 20+ yrs	18/12/12	47 yrs	Astra Lighting	0	NO

The provisions of rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of the limits provided under this rule are not applicable to the Company as none of the employees was in receipt of remuneration in excess of the limits during the financial year 2017-18.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is annexed at **Annexure 4** with this report.

MAINTENANCE OF COST RECORDS

The maintenance of cost records as specified under section 148(1) of the Companies Act, 2013, is required by the company and accordingly such accounts and records are made and maintained.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the Form MGT-9 as required pursuant to Section 92(3) read with Companies (Management and Administration) Rules, 2014 is also annexed at **Annexure 5** with this report.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the various agencies of Central and State Governments, Banks and other concerned agencies for all the assistance and cooperation extended to the Company. The Directors also deeply appreciate and acknowledge the trust and confidence the

FORM NO. AOC.2 Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- Details of contracts or arrangements or transactions not at arm's length basis
 - Name(s) of the related party and nature of relationship: NIL
 - Nature of contracts/arrangements/transactions: NIL
 - Duration of the contracts/arrangements/transactions: NIL
 - Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
 - Justification for entering into such contracts or arrangements or transactions: NIL
 - date(s) of approval by the Board: NIL
 - Amount paid as advances, if any: NIL
 - Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL
- Details of material contracts or arrangement or transactions at arm's length basis
 - Name(s) of the related party and nature of relationship: Mr. Munish Mahajan- Brother to Mr. Amit Mahajan, Director (Commercial)
 - Nature of contracts/arrangements/transactions: Employment
 - Duration of the contracts/arrangements/transactions: Permanent employment
 - Salient terms of the contracts or arrangements or transactions including the value, if any: General terms of employment as applicable on other employees.
 - Date(s) of approval by the Board, if any: 30.05.2017
 - Amount paid as advances, if any: Nil

For and on behalf of the Board

Place: Mohali
Date : August 14, 2018

sd/-
(R.K.BHANDARI)
Chairman

ANNEXURE - 1

RISK MANAGEMENT POLICY BACKGROUND

SEBI recently notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on September 02, 2015 effective from 1st December, 2015, repealing the erstwhile Listing Agreement. Regulation 17(9) provides that the listed entity shall lay down procedures to inform the members of the Board of Directors about risk assessment and minimization procedures. Further, the Board shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

For this purpose, this document is intended to formalize a risk management

policy, the objective of which shall be identification, evaluating, monitoring and minimizing identifiable risks.

OBJECTIVE AND PURPOSE OF THE POLICY

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to risk management, in order to guide decisions on risk related issues.

The specific objectives of the Risk Management Policy are:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems of risk management.
2. To establish a framework for the Company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth financial stability.

IMPLEMENTATION

This policy is in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f 1st December, 2015) which requires the Board to frame, implement and monitor the risk management plan for the listed entity.

IDENTIFICATION OF RISKS

Risk can be minimized only after the identification, or we can say unless we identify the risk, it cannot be minimized. So the first motto of the Risk Management Policy is to identify the risks.

In S R Industries Limited, risk can be identified by any director, employee, shareholders, debtors, creditors, bankers, connected agencies. They can report the identified risks to the concerned department. Immediately after the reporting of the risks, departmental head and the entire team of the department shall accumulate the information pertaining to the identified risks and evaluate the risks.

KIND OF RISKS

Operational Risks
Political Risks
Regulatory Risks
Social Risks
International Risks

The risks can further be categorized as:

- (1) Minimal
- (2) Moderate
- (3) Extreme

Priority should be given to the extreme risks, which will be more dangerous and the Company will have short time to mitigate / minimize the said risks.

MANAGEMENT OF THE RISKS

All the risks should be reported to the departmental heads and they will further intimate to the Board. In extreme cases, all the concerned department head will report immediately to any member of the Board of Directors.

The Board of Directors will consider the risk reported by the Departmental heads. The management will take the necessary action on the reported risks and will do the best for minimization of the risks.

APPLICATION

This policy applies to all the areas of the Company's operations.

ROLE OF THE BOARD

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plans for the Company.
2. The Board shall define the roles and responsibilities of the Risk Management Committee, as and when required or applicable to the Company and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
3. Ensure that the appropriate systems for risk management are in place.

4. The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible.
5. Participate in major decisions affecting the organization's risk profile.
6. Have an awareness of and continually monitor the management of strategic risks.
7. Be satisfied that the processes and controls are in place for managing less significant risks.
8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly.
9. Ensure risk management is integrated into Board reporting and annual reporting mechanisms.
10. Convene any Board Committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

AMENDMENTS

Any subsequent amendments / modification in the Listing Regulations and / or other applicable laws in this regard shall automatically apply to this policy. This policy can be amended any time by the Board of Directors of the Company.

Annexure 2

VIGIL MECHANISM / WHISTLE BLOWER POLICY

BACKGROUND

1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a "Code of Conduct" ("Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
2. Clause 49 of the Listing agreement between listed companies and the stock exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.
3. Under these circumstances, S R Industries Limited, being a listed company proposes to establish a Whistle blower policy/Vigil Mechanism and to formulate a policy for the same.

POLICY OBJECTIVES

1. A Whistle Blower/Vigil Mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of conduct. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/or colleagues in general.

SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place/ suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the company is affected and formally reported by whistle blowers concerning its employees.

DEFINITIONS

1. "Alleged wrongful conduct" shall mean violation of law, infringement of company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or

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- abuse of authority.
2. **“Audit committee”** means a committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
 3. **“Board”** means the Board of Directors of the Company.
 4. **“Company”** means the S R Industries Limited
 5. **“Employee”** means all the present employees and whole time directors of the company.
 6. **“Nodal Officer”** means an officer of the Company nominated by the Managing Director to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the results thereof.
 7. **“Protected Disclosure”** means a concern raised by an employee or group of employees of the company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. However, the protected disclosures should be factual and not speculative or in the nature of an interpretation/ conclusion and should contain as much specific information as possible to follow for proper assessment of the nature and extent of the concern.
 8. **“Subject”** means a person or group of persons against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.
 9. **“Whistle Blower”** is an employee or group of employees who make a protected disclosure under this policy and also referred in this policy as complainant.

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

1. Protected Disclosures should be reported in writing by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or Punjabi.
2. The protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected Disclosure under the Whistle blower Policy”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Nodal Officer will not issue any acknowledgment to the complainant and the complainants are advised neither to write a name/address of the complainant on the envelope nor to enter into any further correspondence with the Nodal Officer/Audit Committee. The Audit Committee assures that in case of any further clarification is required he will get in touch with the complainant.
3. Anonymous/Pseudonymous disclosure shall not be entertained by the Nodal Officer.
4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer/Managing Director/Chairman of the Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
5. All Protected Disclosures should be addressed to the Nodal Officer of the Company. The contact detail of the Nodal Officer is as under:

Name and Address of the Nodal Officer **Mr. Amit Mahajan**
Whole Time Director
S R Industries Limited
B-492, New Friends Colony,
New Delhi

6. Protected Disclosure against the Nodal officer should be addressed to the Managing Director of the company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit committee. The contact details of the Managing Director and the Chairman of the Audit Committee are as under:

Name and Address of Managing Director **Mr. Ramesh Chander Mahajan**
S R Industries Limited
H. No. 114, Sector 7, Panchkula

Name and Address of the Chairman of the Audit Committee **Mr. Ramesh Kumar Bhandari**
S R Industries Limited
H.No-88, Sector-4,
Mansadevi Complex,
Panchkula

7. On receipt of the Protected disclosure the Nodal officer/Managing Director/Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the Protected disclosure or not before referring the matter to the Audit committee of S R industries Limited for further appropriate investigation and needful action. The record will include:
 - a) Brief facts;
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether the same Protected Disclosure was raised previously on the same subject;
 - d) Details of actions taken by Nodal Officer/Managing Director for processing the complaint.
 - e) Findings of the Audit committee;
 - f) The recommendations of the Audit Committee/other action(s).
8. The Audit Committee if deems fit, may call for further information or particulars from the complainant.

INVESTIGATION

1. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any of the officer of the company including Vigilance and Security Superintendent of the company for the purpose of investigation.
2. The decision to conduct an investigation taken by audit committee is by itself not an accusation and is to be treated as a neutral fact finding process.
3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard to the extent that such will not compromise self incrimination protections available under the applicable laws.
5. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
6. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
7. Subject(s) have a right to be informed of the outcome of the investigations.
8. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable.

DECISION AND REPORTING

1. Audit Committee along with its recommendations will report its findings to the Managing Director through the Nodal Officer within 15 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal officer, the complainant and the subject.
2. In case the subject is a Nodal Officer of the Company, the Protected Disclosure shall be addressed to the Managing Director who, after examining the Protected disclosure shall forward the matter to the Audit committee. The Audit committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the Managing

Director. After considering the report and recommendation as aforesaid, Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

3. In case the subject is the Managing Director of the company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee, if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
4. If the report of investigation is not to the satisfaction of the complainant, the complainant has been right to report the event to the appropriate legal or investigating agency.
5. A complainant who makes false allegations of unethical and improper practices or about wrongful conduct of the subject to the Nodal Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

SECRECY / CONFIDENTIALITY

The Complainant, Nodal Officer, Members of the Audit committee, the subject and everybody involved in the process shall:

1. Maintain confidentiality of all matters under this policy
 - a) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
 - b) Not keep the papers unattended anywhere at any time.
 - c) Keep the electronic mails/ files under password.

PROTECTION

1. No unfair treatment will be meted out to a whistle blower by virtue of his/her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers. Complete protection will, therefore, be given to whistle blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the whistle blower is required to give evidence in criminal or disciplinary proceedings, the company will arrange for the whistle blower to receive advice about the procedure etc.
2. A whistle blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his detail public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorised to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the whistle blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
4. Any other employee assisting in the said investigation shall also be protected to the same extent as the whistle blower.
5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

The whistle blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

COMMUNICATION

A whistle blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

RETENTION OF DOCUMENTS

All Protected Disclosures documented along with results of investigation relating thereto, shall be retained by the Nodal Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

ADMINISTRATION AND REVIEW OF THE POLICY

The Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this policy, if required at any stage with the concurrence of the Audit Committee.

ANNUAL AFFIRMATION

The Company shall annually affirm that it has provided protection to the complainant from unfair adverse personal action. The affirmation shall also form part of Corporate Governance Report which is attached to the Annual Report of the Company.

Annexure 3

NOMINATION, REMUNERATION AND EVALUATION POLICY INTRODUCTION

The Company conducts its operations under the directions of the Board of Directors within the framework laid down by the Companies Act, 2013, the Articles of Association of the Company, Listing Agreement with the Stock Exchanges, Internal code of conduct and policies formulated by the Company for its board of directors and senior management. The Company's Board of Directors is dedicated to act in good faith, exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders. This policy is in compliance with the Section 178 of the Companies Act, 2013 read with rules framed thereto and Clause 49 of the Listing Agreement.

The primary objective of the Policy is to provide a framework and set standards for their nomination, remuneration and evaluation of Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The Nomination, Remuneration and Evaluation Policy ("the policy") applies to the Board of Directors ("the board"), Key Managerial Personnel ("the KMP") and the Senior Management Personnel of S R Industries Limited ("the Company").

Key Managerial Personnel ("KMP") means:

- (i) Chairman & Managing Director
- (ii) Company Secretary
- (iii) Whole-time Director
- (iv) Chief Financial Officer
- (v) Such other officer as may be prescribed by the Board or the Central Government

The expression "senior management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall be constituted by the Board of Directors in its meeting. The members of the Committee present at the meeting shall choose one amongst them to act as Chairman or appoint Chairman of the Committee. The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee. Minimum two members shall constitute a quorum for the Committee Meeting. The terms of the Committee shall be decided by the Board of Directors in its meeting. The Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholder's queries.

COMMITTEE MEMBER'S INTEREST

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

- a) Matters arising for determination at the Committee Meetings shall be decided by a majority of votes of members present and voting and such decision shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

- Identification of persons qualified to be the directors and in senior management in accordance with the criteria laid down
- Recommend to the Board appointed and removal of the directors apart from the nominee directors as proposed by the respective agencies or banks and in the Senior Management
- Evaluation of every director's performance
- Formulation of criteria for determining qualifications, positive attributes and independence of a director
- Recommendation of Remuneration Policy for the directors, KMP and other employees.
- Other terms of reference / scope of Nomination and Remuneration Committee shall be as notified by the appropriate authority from time to time or as directed by the Board of Directors of the Company from time to time.

RESPONSIBILITIES OF THE COMMITTEE

Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

Identifying individuals suitably qualified to be appointed as the KMPs or in the Senior Management of the Company;

Recommending to the Board on the selection of individuals nominated for directorship;

Making recommendations to the Board on the remuneration payable to the Directors / KMPs / Senior Officials so appointed / reappointed;

Assessing the independence of independent directors;

Such other key issues / matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provisions of the Companies Act, 2013 and rules framed thereunder;

To make recommendations to the Board concerning any matters relating to the continuation in office of any director at anytime including the suspension or termination of service of an Executive director as an employee of the Company subject to the provision of the law and their service contract;

Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

To devise a policy on Board diversity;

To develop a succession plan for the Board and to regularly review the plan.

RESPONSIBILITIES OF THE BOARD

It shall be the duty of the Chairman of the Board, who shall be supported by the Company Secretary to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings. The Board of Directors shall undertake the following activities on an annual basis:

- The Chairman of the Company shall meet with each and every director individually to discuss his / her performance throughout the year
- Reviewing performance evaluation reports submitted by the Chairperson of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis
- Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature an requirements of Company's business

- The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirements of the Act, the performance evaluation of independent directors shall be done by the entire board of directors, excluding the director being evaluated.

RESPONSIBILITIES OF INDEPENDENT DIRECTORS

In pursuance of the Companies Act, 2013 and rules framed and notified thereunder read with the amendments in the Listing Agreement as notified on 17th April, 2014, the ambit of roles and responsibilities of Independent Directors has widened. The following roles, responsibilities and duties have been duly incorporated so far:

1. Limit on number of directorships:

- a) A person shall not serve as an independent director in more than seven listed companies.
- b) Further, any person who is serving as a whole time director in any listed company shall serve as an independent director in not more than three listed companies.

2. Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

3. Qualifications of independent director:

An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

4. Guidelines of professional conduct:

An independent director shall:

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising his duties.
- c) Exercise his responsibilities in a bona fide manner in the interest of the company;
- d) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) Not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) Refrain from any action that would lead to loss of his independence;
- h) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) Assist the company in implementing the best corporate governance practices.

5. Role and functions:

The independent directors shall:

- a) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) Bring an objective view in the evaluation of the performance of board and management;
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of the performance;
- d) Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) Balance the conflicting interest of the stakeholders;
- g) Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of

- executive directors, key managerial personnel and senior management;
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

6. Duties:

The independent directors shall:

- a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) Seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) Strive to attend the general meetings of the company;
- f) Where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board Meeting;
- g) Keep themselves well informed about the company and the external environment in which it operates;
- h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) Pay sufficient attention and ensure that adequate deliberations held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) Ascertain and ensure that the company as an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) Acting within its authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

7. Separate Meetings:

- a) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- b) All the independent directors of the company shall strive to be present at such meeting;
- c) The meeting shall:
 - (i) Review the performance of non- independent directors and the Board as a whole;
 - (ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non – executive directors;
 - (iii) Assess the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the Board to effectively and reasonably perform their duties.

8. Evaluation mechanism:

- a) The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors
- b) The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report
- c) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated
- d) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director

9. Training of Independent Directors

- a) The Company shall provide suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates,

business model of the company etc.

- b) The details of such training imparted shall be disclosed in the Annual Report.

APPOINTMENT OF DIRECTORS / KMPs / SENIOR OFFICIALS

1. Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP / a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board,

- a) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiency of the Company
- b) The skills and experience that the appointee brings to the role of KMP / Senior official and how an appointee will enhance the skill sets and experience of the Board as a whole
- c) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment

2. Personal Specifications:

- 2.1** Degree holder in relevant disciplines
- 2.2** Experience of management in a diverse organization
- 2.3** Excellent interpersonal, communication and representational skills
- 2.4** Demonstrable leadership skills
- 2.5** Commitment to high standards of ethics, personal integrity and probity
- 2.6** Commitment to the promotion of equal opportunities, community cohesion and health and safety at the workplace
- 2.7** Having continuous professional development to refresh knowledge and skills

For details of the personal specifications refer to **Annexure 1**.

3. Letters of Appointment:

Each Director / KMP / Senior Official is required to sign the letter of appointment with the Company containing the terms of appointment and the roles assigned in the Company.

4. Remuneration of Directors, Key Managerial Personnel and Senior Management:

The remuneration package and compensation for Directors, KMPs and Senior Officials shall be determined as per the service rules of the company and the limits and statutory requirements as prescribed under the Companies Act, 2013 from time to time.

EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director.

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of independent directors, non- independent directors, and other employees of the Company and committees of directors separately, as such, evaluation factors may vary in accordance with their respective functions and duties.

Rating Scale

Scale	Performance
5	Excellent
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

INDEPENDENT DIRECTORS

- OVERALL RATING**
- Compliance with Articles of Association, Companies Act & other laws
 - Compliance with ethical standards & code of conduct of the Company
 - Assistance in implementing Corporate Governance practices
 - Rendering independent, unbiased opinion

- Attendance & presence in General Meetings
- Leadership qualities
- Qualifications
- Disclosure of non- independence, if exists
- Independent view on key appointments and Strategy formulation
- Objective evaluation of board's performance
- Review of integrity of financial information and risk management
- Safeguard of stakeholders' interests
- Appointment & Removal of KMPs
- Determination of level of remuneration of KMPs
- Updation of skills & knowledge
- Punctuality
- Information regarding external environment
- Seeking expert opinion, when required
- Raising of concerns to the Board
- Safeguarding interest of whistle-blowers under vigil mechanism
- Reporting of frauds, violations, etc.
- Team work attributes
- Safeguard of confidential information

NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

OVERALL RATING

- Compliance with Articles of Association, Companies Act & other laws
- Strategic Planning – Financial & Business
- Monitoring performance against plans
- Compliance with ethical standards & code of conduct
- Exercising duties diligently
- Qualifications
- Punctuality
- Disclosure of Interest
- Leadership skills
- Motivating employees, providing assistance & directions
- Establishment of internal control processes
- Communication skills
- Attendance & presence in Board and Committee Meetings
- Attendance at General Meetings
- Team work attributes
- Monitoring policies, encouraging suggestions
- Safeguard of confidential information

COMMITTEES OF BOARD

The Board has constituted the following committees:

1. **Audit Committee**
2. **Nomination & Remuneration Committee**
3. **Stakeholders' Relationship Committee**

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspect:

OVERALL RATING

- Compliance with Articles of Association, Companies Act & other laws
- Alliance with ethical standards & Code of conduct of the Company
- Committee's accomplishments w.r.t. performance objectives
- Redressal of complaints & grievances
- Coordination with other committees and board of directors
- Fulfillment of roles & responsibilities
- Adherence to company's policies and internal procedures

REVIEW

Subject to the approval of the Board of Directors, the "Nomination and Remuneration Committee" reserves its right to review and amend this policy, if required, to ascertain the appropriateness as per the needs of the Company. The policy may be amended by passing a resolution by circulation at a meeting of the Nomination and Remuneration Committee and a subsequent approval by the Board of Directors in their Board Meeting.

DISCLOSURE

Report. Further, the Board's report containing such statement will be made

available for the review of shareholders at the General Meeting of the Company.

Annexure 4

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

1. CONSERVATION OF ENERGY

a) Energy conservation measures taken

Equipments required for prudent use of energy, keeping in view the ecological requirements, have been identified. Follow up steps have been put in place for speedy implementation.

b) Additional Investment and proposals, if any, being implemented for saving of energy

Measures taken will have a dual effect of reduction in the consumption of energy and increase in production.

c) Company has installed multi fuel boiler to minimize energy consumption and works towards environmental conservation

d) Total energy consumption and energy consumption per unit of production as per Form A

Form A

Form for disclosure of particulars with respect to conservation of energy

A) POWER AND FUEL CONSUMPTION

S. NO.	PARTICULARS	2017-18	2016-17
1	ELECTRICITY		
	Purchased Units (in Lacs)	12.26	15.68
	Total Amount (Rs/Lacs)	92.32	110.09
	Average Rate/Unit (Rs.)	7.53	7.02
2	OWN GENERATION		
	Through Diesel Generator		
	Unit (in Lacs)	0.29	0.57
	Unit/Ltr. of Diesel Oil	3.10	3.10
	Average Cost/Unit(Rs.)	18.54	17.43
3	WOOD		
	Wood (M.T.)	785.34	963.80
	Total Amount (Rs/Lacs)	26.21	40.48
	Average Rate (Rs/M.T.)	3.33	4.20

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2017-18	2016-17
1	Footwear (Million Pairs)	1.81	1.05
2	Electricity (Kwh/Pairs)	1.51	1.49
3	Diesel (Ltr./Pairs)	0.02	0.01
4	Pet Coke/ Wood (M.T./Pairs)	0.001	0.001

1. TECHNOLOGY ABSORPTION

A. Research & Development (R&D)

a. Specific area in which R & D is carried out by the company

The company is constantly working towards creating formulation of Rubber involving fewer chemicals. It is also working towards usage of water based inks for printing in the manufacturing of footwear. Additionally, the company is developing shoes with minimal stitching requirements and adding computerized stitching for reduce manpower.

b. Benefits derived as a result of R & D

Benefits derived are towards effective saving of costs. In addition, with the usage of lesser chemicals and solvent based adhesive, the company is aiming to reduce the effective carbon footprint.

c. Future plan of action

The company is planning to upgrade the facilities in the Rubber Molding section to achieve higher productivity with lower overhead costs.

d. Expenditure on R & D

Research and Development being an integral part of production process is carried out in a continuous manner. No separate expenses are hereby maintained for Research & Development costs.

B. Technology absorption, adaptation and innovation

The sports footwear technology is relatively new in India and especially in the area where the unit is located. In the past 3 years, we have been able to transfer the technology from ex-pats to local people. There is always a constant effort towards innovation of new ideas and methods to improve productivity and lower cost by keeping the same or higher quality standards.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, Development of new export market for products and export plans.

The Company is continuously expanding its overseas market base and by adding new customers. After the abolition of quota regime efforts, are being made to consolidate and tap additional export market in developed countries.

b) Total Foreign Exchange earned and used

S.NO.	PARTICULARS	2017-18	2016-17
1	Foreign Exchange earned (including deemed exports)	39.83	128.85
2	Foreign exchange used	91.30	59.63
3	Net Foreign Exchange earned	(51.47)	(69.22)

ANNEXURE '5'

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on March 31st, 2018

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

> REGISTRATION AND OTHER DETAILS :

CIN	L29246PB1989PLC009531
Registration Date	19/07/1989
Name of the Company	S R Industries Limited
Category / Sub-Category of the Company	Public Company/Limited by Shares/Non Govt. Company
Address of the Registered office	E-217, Industrial area, Phase VIII B, Mohali (Punjab)-160071
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, Naraina Industrial Area, Phase 1, New Delhi-110028 Tel: 011-41410592-94 Fax: 41410591 e-mail: delhi@linkintime.co.in

> PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Footwear	1520-Manufacture of Footweares	100%

> PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No. Of The Company	Name And Address	CIN/GLN	Holding/ Subsidiary/ Associate held	% of shares	Applicable Section
	NIL				

> SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

1. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
A PROMOTERS								
(1) Indian	-	-	-	-	-	-	-	-
a) Individual /HUF	4165990	0	4165990	29.94	2923913	-	2923913	21.01
b) Central Govt.	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-
d) Body Corporates	1523275	0	1523275	10.95	965352	-	965352	6.93
e) Banks/FI	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-
SUB TOTAL (A)(1)	5689265	0	5689265	40.88	3889265	-	3889265	27.95
(2) Foreign	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Body Corporate	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-
SUB TOTAL (A)(2)	-	-	-	-	-	-	-	-
TOTAL SHARE HOLDING OF PROMOTER (A)=(A)(1)+(A)(2)	5689265	0	5689265	40.88	3889265	-	3889265	27.95
B PUBLIC SHAREHOLDING								
1 Institutions	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	0	0	0	0	0	0	0	0
2 Non-institutions	-	-	-	-	-	-	-	-
a) Body Corporates	-	-	-	-	-	-	-	-
i) Indian	880231	248000	1128231	8.11	659523	248000	907523	6.52
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	1871004	1519310	3390314	24.36	2733897	1500510	4234407	30.43
II) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	3291749	-	3291749	23.65	3815167	-	3815167	27.42
c) Others	-	-	-	-	-	-	-	-
• Non-Resident Indians	61546	-	61546	0.44	30719	-	30719	0.22
• HUF	339026	-	339026	2.44	897355	-	897355	6.45
• Clearing Member	15869	-	15869	0.11	141564	-	141564	1.02
SUB TOTAL (B)(2)	6459425	1767310	8226735	59.12	8278225	1478510	10026735	72.05
TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2)	6459425	1767310	8226735	59.12	8278225	1478510	10026735	72.05
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS								
GRAND TOTAL (A+B+C)	12148690	1767710	13916000	100	12167490	1748910	13916000	100

**S. R. Industries
L i m i t e d**
Annual Report 2017-18

2. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encum to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encum to total shares	
1	Amit Mahajan	2592390	18.63	5.34	1350313	9.7	5.34	-
2	R C Mahajan	510800	3.67	3.66	510800	3.67	3.66	-
3	Amit Mahajan	411450	2.96	2.93	411450	2.96	2.93	-
4	Anuj Mahajan	406250	2.92	0.74	406250	2.92	0.74	-
5	Suman Mahajan	185100	1.33	1.01	185100	1.33	1.01	-
6	RC Mahajan(HUF)	50000	0.36	0.00	50000	0.36	0.00	-
7	Munish Mahajan	10000	0.07	0.00	10000	0.07	0.00	-
8	Universal Cyber Infoway Pvt Ltd	951100	6.83	0.00	393177	2.83	0.00	-
9	Pride Properties Pvt Ltd	312675	2.25	1.51	312675	2.25	1.51	-
10	Susang Mac Pvt Ltd	259500	1.86	1.86	259500	1.86	1.86	-

3. Change in Promoters' Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Cumulative shareholding during the year		
		No. of Shares	% of total Shares of Company	Date	No. of Shares	% of total Shares of Company	
1	Amit Mahajan At the beginning of the year Bought during the year Sold during the year Sold during the year At the end of the year	2592390 0 872641 127359 242077 1350313	18.63 6.27 0.92 1.74 9.7	31.03.2017 14.07.2017 21.07.2017 28.07.2017 31.03.2018	2592390 2592390 1719749 1592390 1350313 1350313	18.63 18.63 12.36 11.44 9.7 9.7	
2	Ramesh Chander Mahajan At the beginning of the year Bought/sold during the year At the end of the year	510800 - 510800	3.67 - 3.67	31.03.2017 31.03.2018	510800 510800 510800	3.67 3.67 3.67	
3	Amit Mahajan At the beginning of the year Bought/sold during the year At the end of the year	411450 - 411450	2.96 - 2.96	31.03.2017 31.03.2018	411450 411450 411450	2.96 2.96 2.96	
4	Anuj Mahajan At the beginning of the year Bought/sold during the year At the end of the year	406250 - 406250	2.92 - 2.92	31.03.2017 31.03.2018	406250 406250 406250	2.92 2.92 2.92	
5	Suman Mahajan At the beginning of the year Bought/sold during the year At the end of the year	185100 - 185100	1.33 - 1.33	31.03.2017 31.03.2018	185100 185100 185100	1.33 1.33 1.33	
6	R C Mahajan At the beginning of the year Bought/sold during the year At the end of the year	50000 - 50000	0.36 - 0.36	31.03.2017 31.03.2018	50000 50000 50000	0.36 0.36 0.36	
7	Munish Mahajan At the beginning of the year Bought/sold during the year At the end of the year	10000 - 10000	0.07 - 0.07	31.03.2017 31.03.2018	10000 10000 10000	0.07 0.07 0.07	
8	Universal Cyber Infoway Limited At the beginning of the year Bought during the year	951100 - -	6.83 - -	31.03.2017 -	951100 951100 951100	6.83 6.83 6.83	

	Sold during the year	177923	1.28	28.07.2017	773177	5.56
	Sold during the year	380000	2.73	04.08.17	393177	2.83
	At the end of the year	393177	2.83	31.03.2018	393177	2.83
9	Pride Properties Private Limited At the beginning of the year Bought/sold during the year At the end of the year	312675 - 312675	2.25 - 2.25	31.03.2017 31.03.2018	312675 312675 312675	2.25 2.25 2.25
10	Susang Mac Private Limited At the beginning of the year Bought/sold during the year At the end of the year	259500 - 259500	1.86 - 1.86	31.03.2017 31.03.2018	259500 259500 259500	1.86 1.86 1.86

4. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, and Holders of ADRs and GDRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Cumulative shareholding during the year	
		No. of Shares	% of total Shares of Company	Date	No. of Shares	% of total Shares of Company
1	FOUJDARAVINASH SUDHAKAR At the beginning of the year Sold during the year Bought during the year At the end of the year	327685 3195 3195 327685	2.35 0.02 0.02 2.35	31.03.2017 21.07.2017 04.08.2017 31.03.2018	327685 324490 327685 327685	2.35 2.33 2.35 2.35
2	RAMLAL KAWARLAL JAIN HUF At the beginning of the year Bought during the year Bought during the year Bought during the year At the end of the year	0 131373 64509 10000 205882	0 0.94 0.46 0.07 1.48	31.03.2017 09.02.2018 02.03.2018 16.03.2018 31.03.2018	0 131373 195882 205882 205882	0 0.94 1.41 1.48 1.48
3	JATINDER KUMAR MITTAL At the beginning of the year Sold during the year Sold during the year Bought during the year At the end of the year	207701 40000 100000 90245 157946	1.49 0.29 0.72 0.65 1.14	31.03.2017 14.07.2017 12.01.2018 16.02.2018 31.03.2018	207701 167701 67701 157946 157946	1.49 1.21 0.48 1.14 1.14
4	SWAVIN BUSINESS CONSULTANTS PRIVATE LIMITED At the beginning of the year Sold during the year At the end of the year	231973 50000 25000 10000 5000 516 141457	1.67 0.36 0.18 0.07 0.04 0 1.02	31.03.2017 13.10.2017 27.10.2017 12.01.2018 02.03.2018 09.03.2018 31.03.2018	231973 181973 156973 146973 141973 141457 141457	1.67 1.31 1.13 1.06 1.02 1.02 1.02
5	VIJAYKUMAR MANGTURAM KHEMANI At the beginning of the year Bought during the year At the end of the year	0 109900 109900	0 0.79 0.79	31.03.2017 23.02.2018 31.03.2018	0 109900 109900	0 0.79 0.79
6	JITENDER MITTAL At the beginning of the year Sold during the year At the end of the year	147579 40000 107579	1.06 0.29 0.77	31.03.2017 14.07.2017 31.03.2018	147579 107579 107579	1.06 0.77 0.77
7	BIREN CHAMPKALAL MEHTA At the beginning of the year Bought during the year Bought during the year At the end of the year	0 80577 19423 100000	0 0.58 0.14 0.72	31.03.2017 20.10.2017 27.10.2017 31.03.2018	0 80577 100000 100000	0 0.58 0.72 0.72
8	TANGUTOOR UDAYA RAJ At the beginning of the year Bought during the year Bought during the year Bought during the year At the end of the year	0 75000 24990 10 100000	0 0.54 0.18 0 0.72	31.03.2017 12.01.2018 19.01.2018 09.02.2018 31.03.2018	0 75000 99990 100000 100000	0 0.54 0.72 0.72 0.72
9	ATUL KAYAN At the beginning of the year Sold during the year Bought during the year At the end of the year	100000 100000 100000 100000	0.72 0.72 0.72 0.72	31.03.2017 21.07.2017 04.08.2017 31.03.2018	100000 0 100000 100000	0.72 0 0.72 0.72
10	BIJAL KISHOR MADHANI At the beginning of the year Bought during the year Bought during the year At the end of the year	0 50000 50000 100000	0 0.36 0.36 0.72	31.03.2017 13.10.2017 08.12.2017 31.03.2018	0 50000 100000 100000	0 0.36 0.72 0.72

5 Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year
		No. of Shares	% of total Shares of Company	No. of Shares
1	Mr. R. C. Mahajan (M.D.)	510800	3.67	510800
	At the beginning of the year			
	Date wise increase / decrease in shareholding during the year specifying the reasons	NIL	NIL	NIL
	At the end of the year	510800	3.67	510800
2	Mr. Amit Mahajan Director (Commercial & CFO)	2592390	18.63	2592390
	At the beginning of the year			
	Sold - 14.07.2017	872641	6.27	1719749
	Sold - 21.07.2017	127359	0.92	1592390
	Sold - 28.07.2017	242077	1.74	1350313
	At the end of the year	1350313	9.7	1350313
3	Mr. Amit Mahajan Director (Operations)	411450	2.96	411450
	At the beginning of the year			
	Date wise increase / decrease in shareholding during the year specifying the reasons	NIL	NIL	NIL
	At the end of the year	411450	2.96	411450
4	Mr. Ramesh Kumar Bhandari Chairman	-	-	-
	At the beginning of the year			
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
5	Mrs Seema Mahajan	-	-	-
	At the beginning of the year			
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
6	Mr. M M Puri	-	-	-
	At the beginning of the year			
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
7	Ms. Samandeep Kaur	-	-	-
	At the beginning of the year			
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-

➤ **INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount (Excl. Interest)	9.97	5.02	-	14.99
ii) Interest due but not paid	0.28	-	-	0.28
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	10.25	5.02	-	15.27

Change in Indebtedness during the financial year				
Addition	-	2.83	-	2.83
Reduction	1.41	1.88	-	-3.29
Net Change	-1.41	0.95	-	-0.46
Indebtedness at the end of the financial year				
i) Principal Amount	8.84	5.97	-	14.81
ii) Interest due but not paid	1.45	-	-	1.45
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	10.29	5.97	-	16.26

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars	Name of MD/ of Remuneration WTD/Manager			Total Amount
		R. C. Mahajan	Amit Mahajan Director (Operations)	Amit Mahajan Director (Comm.)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36.00	21.60	21.60	79.20
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1.37	-	2.32	3.69
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	As % of profit	-	-	-	-
	Others, specify	-	-	-	-
5.	Others	-	-	-	-
	Total (A)	37.37	21.60	23.92	82.89
Ceiling as per the Act		As per Schedule V of the Companies act, 2013			

ii) Remuneration to other directors

Sr. No.	Particulars	Name of Directors			Total Amount
		R. K. Bhandari	M.M. Puri	Seema Mahajan	
1.	Independent Directors				
	a) Fees for attending board committee meetings	-	0.05	-	-
	b) Commission	-	-	-	-
	c) others	-	-	-	-
	TOTAL (1)	-	0.05	-	-
2.	Other Non-Executive Directors				
	a) Fees for attending board committee meetings	-	-	-	-
	b) Commission	-	-	-	-
	c) others	-	-	-	-
	TOTAL (2)	-	-	-	-
	Total B=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
Overall ceiling as per the Act		Only sitting fees is paid for attending Board and Committee Meetings			

iii) Remuneration to Key Managerial Personnel other than MD/Manager/
Whole-time director

Sr. No.	Particulars Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	CFO
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	3.00	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	As % of profit	-	-	-
	Others, specify	-	-	-
5.	Others	-	-	-
	Total	-	3	-

VII. Penalties/Punishments/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made, if any (give details)
(A) COMPANY					
			NIL		
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
(B) DIRECTORS					
			NIL		
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
OTHER OFFICERS IN DEFAULT					
			NIL		
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018
[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,
S R Industries Ltd

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by S R Industries Ltd. Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the S R Industries Ltd'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 authorised representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company, for the Financial Year ended on 31st March 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 4. 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
 5. 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 (Registrar to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client ;
 6. Factories Act, 1948
 7. Industrial Disputes Act, 1947
 8. The Payment of Wages Act, 1936
 9. The Minimum Wages Act, 1948
 10. Employees' State Insurance Act, 1948
 11. The Employees' Provident Fund and Misc. Provisions Act, 1952
 12. The Payment of Bonus Act, 1965
 13. The Payment of Gratuity Act, 1972
 14. The Industrial Employment (Standing Orders) Act, 1946
 15. The Employees' Compensation Act, 1923
 16. The Apprentices Act, 1961
 17. Equal Remuneration Act, 1976
 18. The Employment Exchange (Compulsory Notifications)
 19. The Environment (Protection) Act, 1986
 20. The Hazardous Waste (Management, Handling & Trans boundary movement) Rules, 2008
 21. The Water (Prevention and Control of Pollution) Act, 1974
 22. The Air (Prevention and Control of Pollution) Act, 1981
- I have also examined compliance with the applicable clauses of the following:
- (i) The Listing Agreement entered into by the Company with BSE Stock Exchange.
 - (ii) During the period under review the Company has complied with the

provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was delay in depositing provident fund as applicable to Company under the Employees Provident Fund and Misc. Provisions Act, 1952 due to shortage of Funds.
2. There was delay in depositing the amount under Employees' State Insurance Act, 1948 due to shortage of Funds.
3. As per the information provided to us no record has been maintained for half yearly / annual returns under Factories act, 1948 and Payment of Bonus Act, 1965.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decision is carried through majority there was no decision is carried through the dissenting members.

I 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.

I further report that during the audit period there was no instance of

- (i) Public/Right/Preferential issue of shares/debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh
Date : May 21, 2018

R.P.S. KHURANA
Company Secretary
ACS No.12333
CP No. 5013

Annexure I

I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein.
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies.
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies.
- e) Notice of Board meetings and Committee meetings of Directors.
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation.
- g) The 28TH Annual General Meeting held on 18th September 2017.
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings.
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required.
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors.
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors.

- l) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares.
- m) Borrowings and registration, modification and satisfaction of charges wherever applicable.
- n) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under.
- o) Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act.
- p) Generally, all other applicable provisions of the Act and the Rules made under the Act.

Place: Chandigarh
Date : May 21, 2018

R.P.S. KHURANA
Company Secretary
ACS No.12333
CP No. 5013

Annexure II

I report that the Company has, in my opinion, followings observations:-

1. There was delay in depositing provident fund as applicable to Company under the Employees Provident Fund and Misc. Provisions Act, 1952 due to shortage of Funds.
2. There was delay in depositing the amount under Employees' State Insurance Act, 1948 due to shortage of Funds.
3. As per the information provided to us no record has been maintained for half yearly / annual returns under Factories act, 1948 and Payment of Bonus Act, 1965.

Place: Chandigarh
Date : May 21, 2018

R.P.S. KHURANA
Company Secretary
ACS No.12333
CP No. 5013

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that Corporate Governance is the driving force that governs and steers the Company towards achieving its goal ensuring transparency, accountability, responsibility and integrity. The Company believes in abiding by the Code of Corporate Governance so as to be a responsible corporate citizen and to serve the best interests of all stakeholders and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant material information in an easily understood manner and by being fair to all stakeholders and by ensuring that the Company's activities are managed by a professionally competent Board of Directors. The Company has over the years followed the best practices of Corporate Governance by adhering to the practices laid by the Management and the principles and directions laid down by the Securities Exchange Board of India or other regulatory framework, issued from time to time. The Company has also followed the implementation of schedule of Corporate Governance Code as mentioned in erstwhile Clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Directors are pleased to report the same as under:

BOARD OF DIRECTORS

The present strength of the Board is six directors. The Board comprises of the optimum combination of executive and non-executive directors. Three Directors including the Managing Director are Whole Time Directors (Executive Directors). There are three Non-Executive Independent Directors including the Chairman and a Woman Director.

The elaborate composition of the Board including the number of directorships & Committee Positions held by each of the director is given hereunder:

Sl. No	Name of Director	Category	No. of Board Meeting(s) attended	Attendance at Previous AGM held on September 18, 2017	No. of Outside Directorship(s) held (**)		No. of Membership(s)/ Chairmanship(s) in other Committees (***)	
					As Director	As Chairman	As Chairman	As Member
1.	Mr.R.K.Bhandari (DIN 00354242)	Non-Executive & Independent	6	NO	3	1	1	1
2.	Mr.R.C.Mahajan (DIN 00038661)	Managing Director	8	YES	2	-	-	-
3.	Mr.Amit Mahajan (DIN 00038593)	Whole-time Director	8	YES	4	-	-	2
4.	Mr.Amit Mahajan (DIN 00038827)	Whole-time Director	8	YES	1	-	-	1
5.	Mr.M.M. Puri (DIN 01711466)	Non-Executive & Independent	6	NO	1	-	1	1
6.	Mrs.Seema Mahajan (DIN 06978146)	Non-Executive & Independent	6	YES	1	-	1	1

* Including this entity.

The non-executive directors do not hold any shares or convertible instruments.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Name of the Director	Designation	Relation inter-se
Mr. Ramesh Kumar Bhandari	Chairman	Independent Director
Mr. Ramesh Chander Mahajan	Managing Director	Being a promoter he is related to other promoters & relative of Mr. Amit Mahajan, Director (Operations)
Mr. Amit Mahajan	Director (Operations)	Being a promoter he is related to other promoters & relative of Mr. RC Mahajan, Managing Director
Mr. Amit Mahajan	Director (Commercial)	Being a promoter he is related to other promoters
Mr. Madan Mohan Puri	Director	Independent Director
Mrs. Seema Mahajan	Director	Independent Director

MEETING OF INDEPENDENT DIRECTORS

During the the year under review, the Independent Directors met on December 14, 2017, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- 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. The Independent Directors were provided with necessary documents, reports, policies to enable them to familiarize with the Company's procedures and practices. Detailed presentation on the Company's business segments was made at the meeting of the Independent Directors.

BOARD MEETINGS AND ATTENDANCE

During the financial year 2017-18 Board Meetings were held on the following dates –

Date of Meeting	Particulars of Board Meeting	Board Strength	No. of Directors Present
May 30, 2017	184th	6	5
August 10, 2017	185th	6	5
September 14, 2017	186th	6	5
October 18, 2017	187th	6	5
November 30, 2017	188th	6	5
December 14, 2017	189th	6	6
February 2, 2018	190th	6	6
February 14, 2018	191st	6	5

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of familiarization Programme imparted to Independent Directors is provided on the website of the Company at <http://www.srfootwears.com/familiarization-programme.html>

BOARD COMMITTEES

The board of directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long term interests are being saved. The board has constituted three committees namely, Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. The board is authorized to constitute additional functional committees, from time to time, depending on the business needs and as per the requirements of the law.

AUDIT COMMITTEE

Composition of Committee

Mr. Ramesh Kumar Bhandari, Chairman	Chairman
Mr. Madan Mohan Puri, Independent Director	Member
Mr. Amit Mahajan, Director (Commercial)	Member

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the erstwhile applicable Clause 49 of the Listing Agreement. The Audit Committee of the Company has such powers as are detailed in Section 177 of the Companies Act, 2013 and provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the committee are qualified, experienced and professional having knowledge in industry, finance, project monitoring, company law and other related matters.

Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

TERMS OF REFERENCE OF AUDIT COMMITTEE:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
3. Approval for payment to statutory auditors for any services rendered by the statutory auditors
4. Reviewing, with management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements

- f) Disclosure of any related party transactions
g) Modified opinion(s) in the draft auditor's report
5. Reviewing, with management, the quarterly financial statements before submission to the board for approval
 6. Reviewing, with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or a rights issue, making appropriate recommendations to the board to take up steps in this matter
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
 8. Approval or any subsequent modification of transactions of the listed entity with related parties
 9. Scrutiny of inter-corporate loans and investments
 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary
 11. Evaluation of internal financial controls and risk management systems
 12. Reviewing, with management, performance of statutory and internal auditors, adequacy of the internal control systems
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 14. Discussion with internal auditors of any significant findings and follow up thereon
 15. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
 17. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
 18. To review the functioning of the whistle blower mechanism
 19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
 20. Reviewing the following information:
 - a) The Management discussion and Analysis of the financial condition and results of operations
 - b) Statement of significant related party transactions submitted by management
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors
 - d) Internal audit reports relating to internal control weaknesses
 - e) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
 - f) Statement of deviations:
 - (i) Quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

MEETING DETAILS:

During the year under review, the Audit Committee met five times on 30th May 2017, 10th August 2017, 14th September 2017, 14th December, 2017 and 2nd February 2018. The attendance at the Audit Committee Meetings is as follows:

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. R. K. BHANDARI	5	5
MR. M. M. PURI	5	5
MR. AMIT MAHAJAN	5	5

➤ **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of:

NAME	DESIGNATION
MR. M. M. PURI, INDEPENDENT DIRECTOR	CHAIRMAN
MR. R. K. BHANDARI, CHAIRMAN	MEMBER
MRS. SEEMA MAHAJAN, INDEPENDENT DIRECTOR	MEMBER

The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the erstwhile applicable Clause 49 of the Listing Agreement. The Board of Directors re-constituted the Nomination and Remuneration Committee w.e.f 10th November, 2015.

TERMS OF REFERENCE OF THE COMMITTEE:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy, relating to, the remuneration of the directors, key managerial personnel and other employees
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors and carry out evaluation of every director's performance
3. Devising a policy on diversity of board of directors
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

RESPONSIBILITIES OF THE COMMITTEE:

1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board
2. Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company
3. Recommending to the Board on the selection of individuals nominated for directorship
4. Making recommendations to the Board on the remuneration payable to the Directors / KMPs / Senior officials so appointed / re-appointed
5. Assessing the independence of the Independent directors
6. Such other key issues / matters as may be referred by the Board or as may be necessary in view of the Listing Regulations and provisions of the Companies Act, 2013 and rules framed thereunder
7. To make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of services of an Executive director as an employee of the Company subject to the provisions of the law and their service contract
8. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
9. To devise a policy on Board diversity
10. To develop a succession plan for the Board and to regularly review the plan.

MEETING DETAILS

During the year under review, the Nomination and Remuneration Committee met 2 times on 30th May 2017 and 14th December 2017.

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. M. M. PURI, Independent Director	2	2
MR. R. K. BHANDARI, Chairman	2	2
MR. AMIT MAHAJAN, Director (Operations)	2	2

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria of Independent directors is laid in the Nomination, Remuneration and evaluation Policy formulated by the Nomination and Remuneration Committee and approved by the Board. The afore-mentioned policy is annexed with the Board's Report.

➤ **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee comprises of:

NAME	DESIGNATION
MRS. SEEMA MAHAJAN, INDEPENDENT DIRECTOR	CHAIRMAN
MR. AMIT MAHAJAN, DIRECTOR (OPERATIONS)	MEMBER
MR. AMIT MAHAJAN, DIRECTOR (COMMERCIAL)	MEMBER

The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the erstwhile applicable Clause 49 of the Listing Agreement.

NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Samandeep Kaur - Company Secretary cum Compliance Officer

DETAILS OF SHAREHOLDERS' COMPLAINTS

No. of shareholders' complaints received so far:	NIL
No. of shareholders' complaints not solved to the satisfaction of shareholders:	NIL
No. of shareholders' complaints pending complaints:	NIL

REMUNERATION OF DIRECTORS

1. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED ENTITY

There were no pecuniary transactions of the non-executive directors of the company vis-à-vis the company.

2. CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Non-executive directors are only paid sitting fees for attending board or committee meetings, if any.

3. ADDITIONAL DISCLOSURES

- All elements of remuneration package of individual directors summarized under major groups have been provided in MGT-9 annexed with Board's report.
- Details of fixed component and performance linked incentives are nil.
- No service contract has been entered with the respective individuals. However, their appointment is valid for 5 years from the date of appointment. Further, no severance fees is paid to any director.
- No stock options have been issued by the company.

DISCLOSURES OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

1. REGULATION 17 – BOARD OF DIRECTORS

The Company has an optimum combination of executive and non-executive directors with a woman director on board of the company. 50% of the directors of the company are non-executive independent directors. The Board of Directors met timely and within a gap not exceeding 120 days between any two meetings and reviews all the minimum information as specified in Part A of Schedule II and quarterly compliance reports pertaining to all laws applicable to the company.

All the policies, plans and codes as required under the Listing Regulations or Companies Act, 2013 read with rules framed thereunder or under the SEBI Regulations have been framed and devised by the company and disclosed on the company's website at <http://www.srfootwears.com/policy.html>

No fees or compensation except for sitting fees is payable to the non-executive directors.

The compliance certificate pursuant to Part B of Schedule II has been submitted by the CEO and CFO and same is annexed with the report.

The performance evaluation of independent directors has been done by entire Board of directors excluding the director being evaluated in its 184th Meeting held on 30th May 2017 and in 193rd Board Meeting held on 30th May, 2018.

2. REGULATION 18 – AUDIT COMMITTEE

The company has constituted the audit committee as per the requirements of Companies Act, 2013 and Listing regulations. The details of the committee are also disclosed in the Corporate Governance Report.

3. REGULATION 19 – NOMINATION & REMUNERATION COMMITTEE

The company has constituted the nomination and remuneration committee as per the requirements of Companies Act, 2013 and Listing regulations. The details of the committee are also disclosed in the Corporate Governance Report.

4. REGULATION 20 - STAKEHOLDERS' RELATIONSHIP COMMITTEE

The company has constituted the Stakeholders' Relationship committee as per the requirements of Companies Act, 2013 and Listing regulations. The details of the committee are also disclosed in the Corporate Governance Report.

5. REGULATION 21 – RISK MANAGEMENT COMMITTEE

The constitution of risk management committee is not applicable to the company as per the listing regulations. The company has in place the risk management policy which is reviewed and monitored by the Board of directors from time to time.

6. REGULATION 22 – VIGIL MECHANISM

The company has devised and implemented a vigil mechanism policy / whistle blower policy as required under the Companies Act, 2013 and Listing Regulations. The details of the same are also disclosed on the company's website at http://www.srfootwears.com/uploads/8/3/9/7/8397024/8397024/whistle_blower_policyvigil_mechanism.pdf.

7. REGULATION 23 – RELATED PARTY TRANSACTIONS

The company has formulated the policy on materiality of related party transactions and on dealing with related party transactions. The same is also disclosed on the website of the company at http://www.srfootwears.com/uploads/8/3/9/7/8397024/related_transaction_policy.pdf. Further, the company has obtained requisite board, audit and shareholders' approval for the related party transactions as stipulated by the law.

8. REGULATION 24 – CORPORATE GOVERNANCE REQUIREMENTS W.R.T. SUBSIDIARY OF THE LISTED ENTITY

The provisions of this regulation are not applicable to the company as company does not have any subsidiary.

9. REGULATION 25 – OBLIGATIONS W.R.T. INDEPENDENT DIRECTORS

The independent directors have been appointed by the company in the 25th and 26th AGM for a tenure of 5 years. Further, the details of meeting of independent directors and familiarisation programme imparted to them are disclosed in the corporate governance report.

10. REGULATION 26 – OBLIGATIONS W.R.T. DIRECTORS AND SENIOR MANAGEMENT

Disclosures pursuant to Regulation 26 have been received by the company from the directors and senior management as applicable and the same has been taken on record by the Board in its 192nd Meeting held on 27th April 2018.

11. REGULATION 27 – OTHER CORPORATE GOVERNANCE REQUIREMENTS

The company has submitted the quarterly compliance report on corporate governance to the Bombay stock exchange within 15 days from the end of quarter from time to time.

12. REGULATION 46(2) – WEBSITE

The company has complied with all the provisions of Regulation 46(2) and the same is available at <http://www.srfootwears.com/>.

GENERAL BODY MEETINGS

Date	Particulars	Time	Location	Special Resolution passed
18.09.2017	28 th Annual General Meeting for the Financial Year 2016-17	09.00 A. M.	E-217, Ind. Area, Phase 8-B, Mohali	Yes
29.09.2016	27 th Annual General Meeting for the Financial Year 2015-16	09.00 A. M.	F-110, Ind. Area, Phase VII, Mohali	Yes
30.09.2015	26 th Annual General Meeting for the Financial Year 2014-15	11.00 A. M.	F-110, Ind. Area, Phase VII, Mohali	Yes

Postal Ballots passed during the year 2017-18: Two postal Ballots were conducted during the Financial year 2017-18 as per the provisions laid down under Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder and applicable provisions of the Secretarial Standard 2.

1. Postal Ballot conducted in December 2017-January 2018: Three Special Resolutions were passed as under:

1. Alteration of Objects Clause in the Memorandum of Association of the Company
2. Rectification of errors in item no. 4 of Notice dated 10th August, 2017 calling Annual General Meeting of the Shareholders of the Company on 18th September, 2017 and its ratification by the Shareholders.
3. Rectification of errors in item no. 5 of Notice dated 10th August, 2017 calling Annual General Meeting of the Shareholders of the Company on 18th September, 2017 and its ratification by the Shareholders.

Details pertaining to voting pattern are as follows:

Date of Postal Ballot Notice	30 th November, 2017
Voting period	18 th December, 2017 till 16 th January, 2018
Date of declaration of Result	18 th January, 2018

Particulars of Resolutions	Type of Resolution	Consolidated votes (e-voting and voting through Postal Ballot forms)				
		No of Votes polled	No of Votes in favour	No of Votes against	% of votes in favour	% of votes against
1. Alteration of Objects Clause in the Memorandum of Association of the Company	Special Resolution	2332592	2332389	203	99.99	0.01
2. Rectification of errors in item no. 4 of Notice dated 10th August, 2017 calling Annual General Meeting of the Shareholders of the Company on 18th September, 2017 and its ratification by the Shareholders.	Special Resolution	2332592	2332389	203	99.99	0.01
3. Rectification of errors in item no. 5 of Notice dated 10th August, 2017 calling Annual General Meeting of the Shareholders of the Company on 18th September, 2017 and its ratification by the Shareholders.	Special Resolution	2332592	2332389	203	99.99	0.01

The Company successfully completed the process of obtaining approval of its shareholders for the special resolutions on the items detailed above through the postal ballot. Mr. Ramesh Bhatia, Company Secretary in practice, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

2. Postal Ballot conducted in February- March 2018: Three Special Resolutions were passed as under:

1. Alteration of Capital Clause in the Memorandum of Association of the

Company. 2. Variation of rights, terms and conditions of the Redeemable Preference Shares and their conversion into 0.01 % Optionally Convertible Preference Shares. 3. Issue Equity Shares of the Company to the Promoter / Promoter Group against the outstanding unsecured loans received by the Company from its promoter / promoter group.

Details pertaining to voting pattern are as follows:

Date of Postal Ballot Notice	2 nd February, 2018
Voting period	9 th February, 2018 till 10 th March, 2018
Date of declaration of Result	12 th March, 2018

Particulars of Resolutions	Type of Resolution	Consolidated votes (e-voting and voting through Postal Ballot forms)				
		No of Votes polled	No of Votes in favour	No of Votes against	% of votes in favour	% of votes against
1. Alteration of Capital Clause in the Memorandum of Association of the Company	Special Resolution	1326682	1326679	3	99.999	0.001
2. Variation of rights, terms and conditions of the Redeemable Preference Shares and their conversion into 0.01 % Optionally Convertible Preference Shares	Special Resolution	282155	282152	3	99.999	0.001
3. Issue Equity Shares of the Company to the Promoter / Promoter Group against the outstanding unsecured loans received by the Company from its promoter / promoter group.	Special Resolution	282155	282152	3	99.999	0.001

The Company successfully completed the process of obtaining approval of its shareholders for the special resolutions on the items detailed above through the postal ballot. Mr. Ramesh Bhatia, Company Secretary in practice, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

No special resolution is proposed to be conducted through postal ballot in the forthcoming AGM.

MEANS OF COMMUNICATION

i) Quarterly Results

The quarterly, half yearly and annual results of the Company are disseminated through the website of Bombay Stock Exchange and published in accordance with the requirements of Listing Agreement and / or Listing Regulations.

ii) Newspapers wherein results normally published

Financial Express – all editions and Rozana Spokesman

iii) Website where displayed

All information and results are also displayed on the Company's website www.srfootwears.com.

iv) Whether it also displays official news releases and presentations made to institutional investors or to the analysts

All the press releases are displayed on the website of the Company i.e. <http://www.srfootwears.com/press-release.html>.

DISCRETIONARY REQUIREMENTS

The company has complied with all the mandatory requirements of Regulation 34 read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. The status of compliance with the discretionary requirements of Regulation 27 read with Part E of Schedule II is provided below:

a) The Board

The Chairman of the company is a non-executive director but he doesn't hold any office at the company's expense or receives any reimbursement of expenses incurred in performance of his duties.

b) Shareholder Rights

The Company does not send any half yearly declaration of financial

performance including summary of the significant events in last six months to shareholders separately. However, the company publishes the results for the half year end and quarterly results in the newspapers as detailed above and the same are also available at the Company's website at www.srfootwears.com and the BSE's website.

c) Modified opinion(s) in audit report

The Company's financial statements for the financial year ending 31st March 2018 does not contain any audit qualification and thus, unmodified auditor's report has been submitted. A declaration to this effect has also been submitted by the company to the stock exchange duly signed by the Managing Director of the company in compliance with the SEBI circular no. CIR/CFD/CMD/56/2016 dated 27th May 2016.

d) Separate posts of chairperson and chief executive officer

The Chairman of the Board is a non-executive director and his position is separate from that of the Managing Director.

e) Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER'S INFORMATION

1. ANNUAL GENERAL MEETING

The Twenty Ninth Annual General Meeting of the Company is scheduled to be held on Thursday, the 27th day of September, 2018 at 09.00 A.M. at the Registered Office of the Company at E-217, Industrial Area, Phase-8 B, Mohali, Punjab.

2. FINANCIAL YEAR

The Financial Year for which the Report / Accounts pertain is from 1st April, 2017 to 31st March, 2018.

3. DIVIDEND PAYMENT DATE

No dividend has been recommended by the Company.

4. NAME AND ADDRESS OF THE STOCK EXCHANGE AT WHICH THE LISTED ENTITY'S SECURITIES ARE LISTED

The Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

5. CONFIRMATION OF PAYMENT OF ANNUAL LISTING FEE

The Annual Listing fee for the financial year 2017-18 has been paid to the Bombay Stock Exchange (BSE).

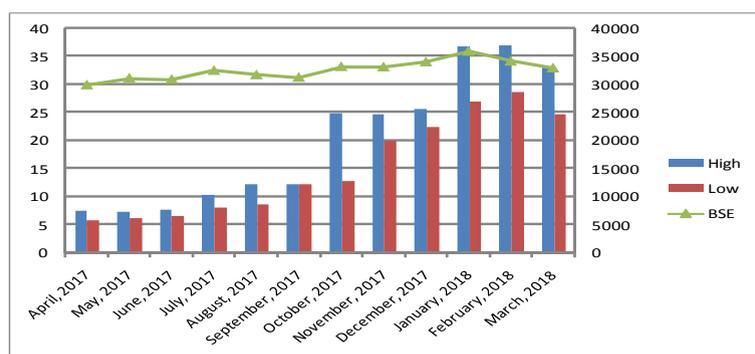
6. STOCK CODE-

Bombay Stock Exchange:
Scrip Code: 513515
Scrip Name: SRIND

7. MARKET PRICE DATA (BSE)

MONTH	HIGH PRICE (₹)	LOW PRICE (₹)
April, 2017	7.63	5.85
May, 2017	7.43	6.16
June, 2017	7.8	6.51
July, 2017	10.42	8.19
August, 2017	12.2	8.76
September, 2017	12.2	12.2
October, 2017	24.88	12.81
November, 2017	24.75	20
December, 2017	25.7	22.45
January, 2018	36.8	26.95
February, 2018	37	28.75
March, 2018	33	24.75

Stock Performance of S. R. Industries Ltd. on BSE vis-à-vis BSE Sensex during the year 2017-18



8. REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor,
Nariana, New Delhi – 110028
Tel: 011-41410592-94, Fax: 011-41410591
Email: delhi@linkintime.co.in

9. SHARE TRANSFER SYSTEM

The transfer of shares in physical form is done by the Registrar and Share Transfer Agent – M/s Link Intime India Pvt. Ltd. and returned within a period of 15 days from the date of receipt of document complete in all respect. The particulars of movement of shares in dematerialized mode are also placed before the stakeholder's Relationship Committee.

8. DISTRIBUTION OF SHAREHOLDING

SHARE HOLDINGS	NO. OF SHARE HOLDERS	% OF TOTAL	SHARES	% OF TOTAL
1-500	8710	84.96	1709879	12.29
501-1000	720	7.02	640986	4.61
1001-2000	301	2.94	500220	3.59
2001-3000	113	1.1	301502	2.17
3001-4000	63	0.61	230124	1.66
4001-5000	84	0.82	406204	2.92
5001-10000	109	1.06	878810	6.32
Above 10001	152	1.48	9248275	66.46
Total	10252	100	13916000	100

9. DEMATERIALISATION OF SHARES AND LIQUIDITY

The details of paid up capital as on 31st March 2018 is as under:

MODE OF HOLDING	NO. OF SHARES	PERCENTAGE
NSDL	8067301	57.97
CDSL	4100189	29.46
PHYSICAL	1748510	12.57
TOTAL	13916000	100

101001001

The ISIN of the Company is INE329C01011. As on 31st March 2018, 87.43% equity shares were dematerialized in the two depositories – NSDL and CDSL.

12. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has no outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2018.

13. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

There is no major foreign exchange risk in the company and thus, no hedging activities are undertaken by the company at present.

14. PLANT LOCATIONS

Village Singhan, Tehsil – Haroli, Distt. Una (H. P.)

15. ADDRESS FOR CORRESPONDENCE

S. R. Industries Ltd.
E-217, Industrial Area,
Phase 8-B, Mohali - 160071.

OTHER DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

There is no such related party transaction that may have potential conflict with the interests of the listed entity at large.

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange (s) or the board or any statutory authority, on any matter related to capital markets, during last three years

No major penalty was levied on the company by any statutory authority.

S. R. Industries L i m i t e d

Annual Report 2017-18

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel was denied access to the Audit Committee

The company has formulated and implemented vigil mechanism / whistle blower policy and the same is also disclosed on the website of the company at http://www.srfootwears.com/uploads/8/3/9/7/8397024/whistle_blower_policyvigil_mechanism.pdf and displayed at the conspicuous place in the company. Further, we hereby affirm that no personnel were denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

All the mandatory and non-mandatory requirements have been duly complied with by the company to the extent applicable to the company.

e) Web link where policy for determining 'material' subsidiaries is disclosed

Your company does not have any subsidiary / associate / joint ventures within the meaning of Companies Act, 2013 and Accounting Standards.

f) Web link where policy on dealing with related party transactions

http://www.srfootwears.com/uploads/8/3/9/7/8397024/related_transaction_policy.pdf

g) Disclosure of commodity price risks and commodity hedging activities

At present there is no commodity price risk in the company.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaimed.

CEO CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all members of the board of directors and senior management personnel have affirmed the compliance with the code of conduct of board of directors and senior management for the year ending 31st March, 2018.

Place: Mohali

Date: August 14, 2018

For S. R. Industries Ltd

Sd/-

(R. C. Mahajan)

Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF S. R. INDUSTRIES LTD

I have examined the compliance of conditions of Corporate Governance by S R Industries Ltd ("the Company"), for the financial year ended 31st March, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [applicable w.e.f. 1st December, 2015].

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations and / or Listing Agreement.

I state that such compliance 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

Sd/-

Date: August 6, 2018

Place: Chandigarh

Sanjiv Kumar Goel

C. P.: 1248

CEO / CFO CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Board of Directors

S R Industries Ltd

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading

(ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

(i) That there are no significant changes in internal control over financial reporting during the year

(ii) That we have adopted new IND-AS for preparation of financial results during the year 2017-18, and

(iii) That there were no instances of significant fraud of which we have become aware.

Sd/-

(R. C. Mahajan)

Managing Director

DIN: 00038661

Sd/-

(Amit Mahajan)

Chief Financial Officer

DIN: 00038593

OVERVIEW

I) INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian footwear industry holds a crucial place in the Indian economy for its potential for employment, especially for weaker sections of the society and for supporting economy through its foreign exchange earnings. This sector has been showing good growth in the past few years due to ready availability of raw materials and manpower. India is the second largest global producer of footwear after China. India's annual footwear consumption is the third largest globally after China and USA and has recorded a healthy growth over the past decade driven by rise in income levels, higher disposable income, growing fashion consciousness and increasing discretionary spending. The same has also led to a change in perception of the footwear industry from a basic need based industry to a fashion style industry. However, the average per capita footwear consumption in India continues to be low in comparison to the global average consumption and developed countries average. This gap coupled with increasing disposable income, rising middle class and changing consumer preferences provide a tremendous opportunity for the Indian footwear market to grow at a rapid pace going forward.

The Indian footwear industry is highly fragmented with almost 15000 small and medium enterprises operating largely in the unorganized segment; and limited presence of organized segment. The competitive intensity is high between the two segments and currently, both are estimated to have an equal share of the overall domestic market in value terms. Though, unorganized segment dominates the market in sales volumes due to its presence majorly in the low cost rubber / plastic footwear. Unorganized sector gains its prominence in the Indian context due to its price – competitive products which are more suitable and attractive to the price conscious Indian consumer. Their products are cheaper due to involvement of cheap household labour, lax

implementation of tax & labour laws and limited investment in assets. Further, with almost 2/3rd of India's population covered under the food security bill which aims to provide daily nutrition needs to an individual at subsidized prices, such category of population presents a huge market for the unorganized sector to cater to. Nevertheless, with increasing brand consciousness amongst Indian consumers, influx of large number of global brands and increasing penetration in Tier – II and III cities by the organized footwear companies, organized players' market share has made significant gains in the recent past and it continues to be on an uptrend. The Footwear Industry further underwent a dramatic structural shift in the past year with the implementation of the new GST tax structure. The GST regime has expedited the shift from unorganized to the organized sector, and many unorganized players are being forced to either close down, or accept the shift into organized trade. Your Company, being a part of the organized sector, stands to benefit from this trend in the long term, even though there is short term pain due to the changes in business environment.

The Company is manufacturing cemented sports shoes and sandals, in addition to lifestyle products such as Flip Flops. The Indian Sports footwear business is dominated by MNC companies such as Puma, Adidas, Nike and Reebok at the higher end of the market, whereas the lower end of the market is dominated primarily by Local Brands. Till late 1980s, this industry was dominated by South Korea and Taiwan. Busan, a port town on the southern tip of South Korea was the manufacturing hub. There were companies in Korea with manufacturing capacity in excess of 60 million pairs, and sales turnover between USD 150 to 600 million. The exodus of this industry from South Korea started in early 90s, due to increase in manufacturing costs, specifically, labor costs. The major beneficiary was China initially. The virtual monopoly of China led to increases in costs and compelled the leading international sports footwear companies to develop alternative sources. This led to the development of Vietnam, Indonesia, Thailand and subsequently, Bangladesh and India. The sports footwear manufacturing business in India started with the import of Completely Knocked Down kits from China, Vietnam and Indonesia, which were being assembled locally. However, in the past few years, with the increasing costs in all other countries, there is a focus on moving towards integrated manufacturing facilities which can serve the domestic requirements of these international brands. The past few years have seen an increasing number of international brands entering the Indian market to sell their products, and these brands are increasingly looking to source a larger part of their requirements from Indian manufacturers. Hence the opportunities for business are increasing steadily, apart from the natural shift into higher value products and newer technologies.

II) OPPORTUNITIES AND THREATS

As eyed in the 19th UTIC International Technical Footwear Congress, India is on the threshold of a great leap forward with respect to its economic growth with major path breaking initiatives taken by our dynamic Prime Minister like "Make in India" as well as "Skill India" programmes. The "Leather, Leather products and Footwear sectors have been identified as one of the sectors for intervention under Make in India programme which would further provide huge momentum for growth of footwear sector in India.

The domestic footwear market has been largely concentrated in the unorganized / unbranded segment. However, the pace of reforms in India has accelerated the pace of reforms, including implementation of GST. This is widely expected to benefit the organized sector by creating a unified marketplace. There is also a change in customer expectations with the Indian consumer becoming more and more quality and brand conscious. The per capita consumption of footwear in India is expected to increase show good growth in the coming years, and organized segment should benefit from this. This rise in demand and move towards quality products is expected to benefit the company in the coming years.

The Company continues to invest in Research and Development to be in a position to further substitute higher value imported footwear with its own manufacturing. The greatest opportunity continues to be the growing Indian footwear market where the demand for Branded footwear is rising rapidly. This demand is further increased by the potential for greater import substitution of expensive imported product

with indigenously manufactured products. Furthermore, international sports brands are continuing to make an entry into the Indian market to sell their products, and the Company is working towards establishing relationships with new brands to increase its business prospects. There is a growing opportunity for the overseas footwear manufacturers to tap the increasing potential in India for sale of footwear. Thus, the Company is also witnessing interest from foreign buyers and is exploring opportunities for exports which will give further boost to these sales.

The threats are mainly from competition in the domestic industry and also that a slowdown in the economy can lead to reduction in demand for its products. The strength of India in the leather footwear sector originates from its large reserves of bovine population, strong network of tanneries, skilled and low cost of manpower, and a well-established presence in export markets. However, India has been unable to optimally utilize resources evident from the low recovery rate of the livestock, use of outdated technology by most tanneries and footwear manufacturers, weak footwear components industry and limited presence of large scale manufacturing units. These factors along with steep cost of doing business in India and high inflationary trends since the past few years have reduced India's cost competitive advantage against the other low cost footwear producing countries like China, Vietnam, Myanmar, Indonesia, etc. Further, revival of production in Italy, Portugal and establishment of new production centres in east Europe have further pose a challenge for Indian footwear industry. Scarcity of skilled labour can be an area of concern for the footwear industry. Your company is focusing on talent management and training of manpower to meet with its requirements .

III) SEGMENT-WISE OR PRODUCT- WISE PERFORMANCE

Presently, the company has one product namely – Footwears. The performance of the company is discussed separately in this report.

IV) OUTLOOK

The outlook for the company remains positive. The present order book position of the company is excellent and demand is continuing to grow. The Company is continuing its efforts to broaden the customer base and increase its product range.

V) RISKS AND CONCERNS

Macro-economic factors such as a downturn in the economy, structural and procedural problems associated with moving to new tax structure (GST), unforeseen political events, natural calamities, below average monsoon can affect the business of Your company as also industry in general. Further, the profitability of footwear players has also been affected due to adverse foreign currency movements, under absorption of fixed expenses and increase in raw material prices which could not be entirely passed on to the clients.

However, the company has not been significantly impacted by the forex fluctuations since the exports do not form a noteworthy part of the company's sales. Further, the company has proper monitoring mechanism and proactive actions against anticipated hindrances in place and the same are reviewed from time to time.

VI) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has established control system to ensure that-

- Assets are adequately protected
 - Transactions are authorized, recorded and reported correctly
 - Operations are conducted in an efficient and cost effective manner complying with the applicable laws
- A qualified independent audit committee of the board of directors also reviews the internal audit and adequacy of internal controls.

VII) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gross turnover during 2017-18 decreased from 44.39 Cr. in 2016-17 to 37.78 Cr. The company during the year sold 0.83 million pairs as against 1.07 million pairs of footwear during last year. The production during the financial year was 0.81 million pairs of footwear as against 1.05 million pairs during previous year.

The duty drawback not received during the year was 6.08 lacs consistent with the previous year figures. Further, rigorous monitoring

of operating overhead remained under control.

Profit before depreciation, interest and taxation during the financial year decreased from 925.35 lacs to 242.84 lacs. The depreciation for the year was 213.42 lacs as against 207.87 lacs during last year. The financial expenses during the year 2017-18 decreased from 618.42 lacs to 429.32 lacs.

The loss before tax during the year is 394.31 lacs as against a profit 122.37 lacs in the previous year.

The Earning per share (EPS) during the year was (2.93) as compared to 0.96 for last year. The diluted EPS of (2.93) was arrived at by conversion of the weighted average no. of shares that may be issued on conversion or convertible warrants on account of requirements of the accounting standards.

The company has posted a net loss of 394.31 lacs during the year as against net profit of 122.37 lacs during last year.

VIII) MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The employees of S R Industries Ltd are the backbone and this resource is very efficiently utilized. The company nurtures its employees through greater knowledge, opportunity, responsibility, accountability, innovation and discipline. The company is dexterous in motivating its employees to stretch out the hand of effort and hard work towards attainment of its objectives. All the policies concerning the employees are made keeping in view the fact that manpower is the most precious resource for the company.

As on 31st March, 2018, the company employed 236 employees.

The relationship between the employees and the management continued to remain cordial during the year under review.

IX) SAFE HARBOUR

Statement in this Management Discussion and Analysis report describing Company's objectives, estimates, projections and expectations may be treated as "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ from those materially expressed or implied therein.

Independent Auditor's Report

To
The Members of
S.R INDUSTRIES LTD.
Chandigarh.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **S.R. Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the

explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date, read with **Annexure "A" and "B"** of our report.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For NJ & ASSOCIATES,
Chartered Accountants

Place: Chandigarh
Date: 30.05.2018

(CA. SHENU AGGARWAL)
PARTNER
M.No.527267
FRN 023083N

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of S.R. Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **S.R. Industries Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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.

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, to the best of our information and according to the explanations given to us, 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, 2018, 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 NJ & ASSOCIATES
Chartered Accountants

Place: Chandigarh
Date: 30.05.2018

(CA SHENU AGGARWAL)
PARTNER
MNO.527267
FRN: 023083N

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of S.R. Industries Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. As per the management, no discrepancies were noticed on verification between the physical stocks and the book records.
- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has advanced Rs. 4,63,59,114/- to parties in preference to Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it except for Provident Fund, Employees' State Insurance with the appropriate authorities.
- (b) Further, as at 31st March 2018, there are dues outstanding for a period of more than six months from the date they became payable which are as under:-

Nature of Dues	Amount(₹)	Period to which the amount relates
Employees' Provident Fund	38,35,677/-	Financial Year 2016-17
Employees' Provident Fund	34,22,132/-	Financial Year 2017-18

- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below.

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ¹ Lakhs
Central Excise Act, 1944	Excise Duty	High Court	2001	723.00

- viii. The Company has defaulted in repayment of loans/borrowing to banks. The accounts of the Company have been classified as NPA and the notice calling to pay the outstanding under SARFESI has been issued.
- ix. The Company has raised moneys by way of issue of Compulsorily Convertible Debentures and Compulsorily Convertible Warrants during the year. The end use of such funds was for business purposes.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 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.

For NJ & ASSOCIATES
Chartered Accountants

Place: Chandigarh
Date: 30.05.2018

(CA SHENU AGGARWAL)
PARTNER
MNO.527267
FRN: 023083N

S. R. Industries L i m i t e d

Annual Report 2017-18

BALANCE SHEET AS AT MARCH 31, 2018

S.N.	PARTICULARS	NOTE	AS AT 31.03.2018 (Rs.)	AS AT 31.03.2017 (Rs.)	AS AT 01.04.2016 (Rs.)
	ASSETS				
(A)	Non-Current Assets				
I	Property, Plant and Equipment	3	219,442,919.96	233,447,061.29	249,269,250.29
II	Capital Work-in-Progress				
III	Financial Assets				
	Security Deposits	4	1,459,215.00	1,289,215.00	1,289,215.00
IV	Prepayments	5	-	34,000.00	76,500.00
(B)	CURRENT ASSETS				
I	Inventories	6	180,076,407.00	178,086,113.00	188,199,985.00
II	Financial Assets				
a)	Trade Receivables	7	125,963,688.29	143,918,858.00	114,954,010.00
b)	Cash & Cash Equivalents	8	1,026,970.91	537,279.00	1,343,348.00
c)	Bank Balance other than (b) above	8	926,829.00	3,073,024.00	3,706,686.00
d)	Loans & Advances	4	46,359,114.94	31,568,547.00	33,481,193.00
e)	Others	9	12,622,735.59	9,131,241.00	12,229,526.00
III	Prepayments	5	34,000.00	42,500.00	42,500.00
	Assets held for sale/Assets included in disposal group(s) held for sale				
	TOTAL ASSETS		587,911,880.69	601,127,838.29	604,592,213.29
	EQUITY AND LIABILITIES				
(C)	Equity				
i)	Equity Share Capital	10	138,882,000.00	138,882,000.00	138,882,000.00
ii)	Other Equity				
a)	Equity Components of Compound Financial Instruments	10	98,111,062.00	98,111,062.00	98,111,062.00
b)	Reserve & Surplus	11	(291,736,577.02)	(252,306,047.03)	(264,542,903.49)
c)	Other Reserves	11	13,518,900.00	13,518,900.00	13,518,900.00
(D)	Liabilities				
	Non-Current Liabilities				
i)	Financial Liabilities				
	Borrowing	12	127,266,721.00	109,332,990.04	159,485,270.00
ii)	Provisions	13	7,744,959.00	7,114,504.00	2,973,004.00
iii)	Deferred Income	14	12,627,329.00	16,140,224.44	20,077,815.78
iv)	Deferred Tax Liabilities (Net)	15	35,196,777.00	33,832,902.00	37,885,074.00
v)	Other Non-Current Liabilities	16	19,290,223.58	11,814,207.78	5,010,429.67
	Current Liabilities				
i)	Financial Liabilities				
a)	Borrowing	12	228,612,100.64	207,120,447.00	201,363,684.00
b)	Trade Payables	17	79,355,204.60	139,499,495.00	117,233,332.00
c)	Other Financial Liabilities	12	102,912,933.83	55,026,372.00	44,974,788.00
ii)	Provisions	13	7,532,594.00	7,744,959.00	6,640,452.35
iii)	Deferred Income	14	4,279,071.83	3,937,590.93	5,818,338.00
iv)	Other Non-Current Liabilities	16	4,318,581.23	11,358,231.13	17,160,966.98
	Total Equity Liabilities		587,911,880.69	601,127,838.29	604,592,213.29

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors of S.R. Industries Limited

sd/-	sd/-	sd/-
Samandeep KAUR	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial & Chief Financial Office	Managing Director

As per report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHENU AGGARWAL)

Partner

Membership No. 527267

FRN 023083N

Place : Chandigarh.

Date : May 30, 2018

PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

S.N. PARTICULARS	NOTE No.	31.03.208 (Rs.)	31.03.2017 (Rs.)
Continuing Operations			
Revenue from Operations	18	377,806,388.99	443,917,246.57
Other Income	19	3,397,495.97	6,683,537.41
Total Income		381,203,884.96	450,600,783.98
Expenses			
Cost of Raw Material and Components Consumed	20	223,285,066.71	223,658,096.00
(Increase)/Decrease in inventories of finished goods, Work in progress and traded goods		8,764,497.00	2,108,418.00
Employee Benefits Expense	21	88,711,965.27	103,380,085.00
Depreciation and amortization Expense	3	21,342,085.33	20,787,489.00
Finance Cost	22	42,931,932.76	61,842,370.00
Other Expenses	23	36,158,641.83	28,918,793.00
Total Expenses		421,194,188.90	440,695,251.00
Profit/(Loss) before exceptional items and Tax		(39,990,303.94)	9,905,532.98
Exceptional items	-	-	-
Profit/(Loss) before tax		(39,990,303.94)	9,905,532.98
1) Current Tax		-	-
2) Adjustment of Tax relating to earlier periods	-	-	-
3) Deferred Tax		769,467.15	(3,520,430.28)
Income Tax Expense:		769,467.15	(3,520,430.28)
Profit/ (Loss) for the year		(40,759,771.09)	13,425,963.25
Other Comprehensive Income			
Re-measurement Gains/(Losses) on defined benefit plans		1,923,650.00	(1,720,847.00)
Income Tax effect		(594,407.85)	531,741.72
		1,329,242.15	(1,189,105.28)
Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods		1,329,242.15	(1,189,105.28)
Other Comprehensive Income for the year, Net of Tax		1,329,242.15	(1,189,105.28)
Total Comprehensive Income for the year, Net of Tax attributed to :		(39,430,528.94)	12,236,857.98
Earnings per Equity Share for Profit from continuing operations attributable to owner of S.R. Industries Limited:			
Basic Earnings per Share		(2.93)	0.96
Diluted Earnings per Share		(2.93)	0.96
Significant Accounting Policies Notes of Accounts	2		

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors of S.R. Industries Limited.

sd/-	sd/-	sd/-
SAMANDEEP KAUR	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial & Chief Financial Officer	Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHENU AGGARWAL)

Partner

Membership No. 527267

FRN 023083N

Place : Chandigarh.

Date : May 30, 2018

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018

(Rs./Lacs)

Particulars	Note	31.03.2018	31.03.2017
Cash Flow from Operating Activities			
Profit Before Tax		(39,990,303.94)	9,905,532.98
Adjustment for Reconcile Profit before Tax to Net cash Flow :-			
Add :-			
Deprecation & amortisation Expense	3	21,342,085.33	20,787,489.00
Interest Income	19	(189,522.00)	(144,580.00)
(Profit)/Loss on sale of assets/Written off (Net)		-	73,026.00
Finance Costs	22	42,931,932.76	20,787,489.00
Liabilities/Provisions Written back due to Actuarial Gain/(Loss)		1,923,650.00	(1720,847.00)
		66,008,146.09	80,837,458.00
Operating Profit before working capital adjustments		26,017,842.15	90,742,990.98
Working Capital Adjustments			
Trade & other receivables and prepayments		(454,392.82)	(23,911,417.00)
(Increase)/Decrease in Inventories	6	(1,990,294.00)	10,113,872.00
Increase/(Decrease) Trade and other payables and Provisions		(62,461,249.04)	22,694,873.50
		(64,905,935.86)	8,897,328.50
Cash Generated from Operations		(38,888,093.71)	99,640,319.48
Taxes (Paid)/Refund		-	-
Net Cash from Operating activities		(38,888,093.71)	99,640,319.48
Cash Flow from Investing Activities			
Purchase of Property, plant & Equipments (PPE)	3	(7,337,944.00)	(5,098,326.00)
Sale of Property, plant & Equipments (PPE)	3	-	60,000.00
Proceeds from fixed deposits matured during the year	8	2,146,195.00	633,662.00
Interest Income	19	189,522.00	144,580.00
		(5,002,227.00)	(4,260,084.00)
Net Cash used in Investing Activities :			
Cash Flow from Financing Activities			
Increase/(Decrease) in Repayment of Term loans		44,720,286.25	(32,720,994.96)
Increase/(Decrease) in Repayment of WCL		(6,080,978.49)	5,756,763.00
Increase/(Decrease) in Interest accrued and due on WCL		27,572,632.13	-
Increase/(Decrease) in Interest accrued and due on TL		11,645,137.54	(2,051,997.00)
Increase/(Decrease) in unsecured Loans		9,454,869.00	(5,327,704.00)
Finance Costs	22	(42,931,932.76)	(61,842,370.00)
		44,380,013.67	(96,186,302.96)
Net Cash used in Fianancing Activities			
Net Change in Cash & Cash Equivalents		489,692.96	(806,067.48)
Cash & Cash Equivalents at the beginning of year		537,279.00	1,343,348.00
Cash & Cash Equivalents at the year end		1,026,970.91	537,279.00

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors of S.R. Industries Limited.

sd/-	sd/-	sd/-
SAMANDEEP KAUR	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial	Managing Director & Chief Financial Officer

As per our report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHEENU AGGARWAL)

Partner

Membership No. 527267

FRN 023083N

Place : Chandigarh.

Date : May 30, 2018

S. R. Industries L i m i t e d

Annual Report 2017-18

1. Corporate Information

S.R. Industries Limited (the Company) (CIN: L29246PB1989PLC009531) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on a recognized stock exchange in India. The registered office of the company is located at E 217, Industrial Area, Phase VIII B, Mohali-160055(Punjab).

The Company is having its operations in the State of Mohali(Punjab) and Una(Himachal Pradesh) and is principally engaged in the manufacturing of Footwear comprising of the facilities including Rubber Outsole Moulding, EVA Sheet, Cutting and preparation, Stitching, Assembly line for shoes. The footwear division manufactures goods for various companies such as PUMA, Bata, Woka etc.

The financial statements were authorized for issue in accordance with a resolution by the Board of Directors of the Company on 30th May 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian -Accounting Standards) Rules, 2015(as amended from time to time).

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2018 are the first financial statements which have been prepared in accordance with the Ind AS notified under the Companies Indian Accounting Standards Rules, 2015, as amended from time to time. The Company is in Phase II of Ind AS adoption and accordingly the date of transition is 1st April 2016.

In respect of financial information for the year ended 3rd March 2018, the Company followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1st April 2016. Refer to Note 31 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- a. Plan assets under defined benefit plans.
- b. Certain financial assets and liabilities.

In accordance with IND AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of Financial Information under Accounting Standards notified under Previous GAAP to IND AS of Restated Shareholders' equity as at 3rd March, 2017 and 2016 and of the Statement of Profit and loss and other comprehensive Income for the year ended 3rd March, 2017.

The financial information is presented in Indian Rupees (INR).

2.2 Summary of Significant Accounting Policies:

2.2.1 Property, Plant & Equipment (PPE):

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment (PPE) including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and is further adjusted by the amount of CENVAT\Goods & Service Tax (GST) credit and Value Added Tax (VAT) credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if 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 respective 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.

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 the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In respect of others assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Sr. No.	Nature of Asset	Useful Life (Years)
1.	Buildings	30
2.	Plant & Machinery	15
3.	Other Equipments	5 to 10
4.	Vehicles	8
5.	Moulds& Dies	15
6.	Furniture/ Fittings	10

2.2.2 Current versus Non Current Classification:

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- ★ Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ★ Held primarily for the purpose of trading;
- ★ Expected to be realized within twelve months after the reporting period, or
- ★ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ★ It is expected to be settled in normal operating cycle;
- ★ It is held primarily for the purpose of trading;
- ★ It is due to be settled within twelve months after the reporting period, or
- ★ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2.3 Taxes:

2.2.3.1 Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 (as amended) and Income Computation and Disclosure Standards (ICDS) enacted in India by using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.2.3.2 Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ★ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the

transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets (including Mat credit, if any), are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ★ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax including Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods & Service Tax (GST) Sales/ Value Added Taxes (VAT) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST/sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the balance sheet.

2.2.4 Inventory

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- ★ Raw materials/ Stores & Spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- ★ Finished goods and Work In Progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on the basis of cost or net realizable value whichever is lower.
- ★ Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.2.5 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets:

The Company classified its financial assets in the following measurement categories:

- ★ Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- ★ Those measured at amortized cost

Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

- ★ Debt instruments at amortized cost
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
 - i. Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
 - ii. Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the Company estimates the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

- ★ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

1. the rights to receive cash flows from the asset have expired, or
2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - a. the Company has transferred the rights to receive cash flows from the financial assets or
 - b. the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets:

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and

S. R. Industries L i m i t e d

Annual Report 2017-18

recognition of impairment loss on the following financial asset and credit risk exposure

Financial assets measured at amortised cost e.g. Loans, security deposits, trade receivable, bank balance.

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

b. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable

transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits and other payables.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial Liabilities at fair value through profit & loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans & Borrowings:

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the

assets and settle the liabilities simultaneously.

2.2.6 Cash & Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand, other short term deposits with original maturities of three months or less which are subject to an insignificant risk of changes in value.

2.2.7 Mandatorily Redeemable Preference Shares:

A mandatorily redeemable preference share with dividends paid at the issuer's discretion, which effectively comprises: a financial liability (the issuer's obligation to redeem the shares in cash); and an equity instrument (the holder's right to receive dividends if declared. Such preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the mandatorily redeemable preference shares with dividends declared at the issuer's discretion, the present value of the redeemable amount is calculated using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption. The unwinding of the discount on this component is recognised in profit or loss and classified as interest expense.

The remainder of the proceeds is recognised and included in equity as per Ind AS 32. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of such preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.2.8 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the best estimate.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow

of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.2.9 Employee Benefits:

2.2.9.1 Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's service up to the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

2.2.9.2 Other Long term employee benefit obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured based on the actuarial valuation using projected unit credit method at the year end. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the term of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

2.2.9.3 Post-employment obligations: The Company operates the following post-employment schemes:

2.2.9.3.1 defined benefit plans such as gratuity; and

2.2.9.3.2 defined contribution plans such as provident fund.

Gratuity Obligations:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- i. Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- ii. Net interest expenses or income

2.2.10 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the

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primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ Goods & Service Tax (GST)/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income:

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in interest income head in the statement of Profit and Loss.

2.2.11 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangement entered into prior to 01 April, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance

charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

2.2.12 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the

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hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

The management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2.13 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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 the asset or liability affected in future periods.

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 recognized in the financial statements.

Operating lease commitments - Company as lessee

The Company has taken various properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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 changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

b. Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

c. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.2.14 Borrowing Costs:

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to

finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Company during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the borrowing costs.

2.2.15 Impairment of Non Financial Assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

After impairment depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made in respect of assets at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.2.16 Government Grants:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. However if any export obligation is attached to the grant related to an asset, it is recognized as income on the basis of accomplishment of the export obligation.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

2.2.17 Earnings per share

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of company (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Note : 3 Property, Plan and Equipment (PPE)

Particulars	Freehold Land	Freehold Building	Plant & Machinery	Furniture, Fitting & Equipments Installations	Vehicle	Other Equipments	Total
	INR	INR	INR	INR	INR	INR	INR
Transition as at 1 April 2016							
Gross Carrying Amount							
Deemed Cost as at 1 April 2016	12,509,389.00	74,855,454.00	100,993,745.00	14,874,991.00	3,186,718.00	4,555,834.00	210,976,131.00
Additions/Reduction on account of							
PPE on account of Government Grant received under EPCG License Scheme	-	-	35,222,166.00	-	-	-	35,222,166.00
PPE on account of Subsidy Received against the Plant and Machinery	-	-	20,000,000.00	-	-	-	20,000,000.00
Closing Gross Carrying Amount as at 1 April 2016	12,509,389.00	74,855,454.00	156,215,911.00	14,874,991.00	3,186,718.00	4,555,834.00	266,198,297.00
Accumulated Depreciation as at 1 April 2016							
	-	-	-	-	-	-	-
Addition/Reduction of Accounts							
Depreciation charged at transition on Property, Plant and Equipment EPCG License Scheme	-	-	13,945,586.71	-	-	-	13,945,586.71
Depreciation charged at transition on Property, Plant and Equipment IN Subsidy Received	-	-	2,983,460.00	-	-	-	2,983,460.00
Closing Accumulated Depreciation as at 1 April 2016	-	-	16,929,046.71	-	-	-	16,929,046.71
Net Carrying Amount as at 1 April 2016	12,509,389.00	74,855,454.00	139,286,864.29	14,874,991.00	3,186,718.00	4,555,834.00	249,269,250.29
Year ended 31 March 2017							
Gross Carrying Amount							
Opening Gross Carrying Amount	12,509,389.00	74,855,454.00	156,215,911.00	14,874,991.00	3,186,718.00	4,555,834.00	266,198,297.00
Additions	-	-	-	147,357.00	-	4,950,969.00	5,098,326.00
Disposals	-	-	-	-	(133,026.00)	-	(133,026.00)
Closing Gross Carrying Amount as at 31 March 2017	12,509,389.00	74,855,454.00	156,215,911.00	15,022,348.00	3,053,692.00	9,506,803.00	271,163,597.00
Accumulated Depreciation							
Opening Accumulated Depreciation	-	-	16,929,046.71	-	-	-	16,929,046.71
Depreciation Charge during the year	-	2,905,137.00	13,736,630.00	2,969,472.00	743,121.00	433,129.00	20,787,489.00
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2017	-	2,905,137.00	30,665,676.71	2,969,472.00	743,121.00	433,129.00	37,716,535.71
Net Carrying Amount as at 31 March 2017	12,509,389.00	71,950,317.00	125,550,234.29	12,052,876.00	2,310,571.00	9,073,674.00	233,447,061.29
Year ended 31 March 2018							
Gross Carrying Amount							
Opening Gross Carrying Amount	12,509,389.00	74,855,454.00	156,215,911.00	15,022,348.00	3,053,692.00	9,506,803.00	271,163,597.00
Additions	-	-	868,000.00	71,000.00	-	6,398,944.00	7,337,944.00
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2018	12,509,389.00	74,855,454.00	157,083,911.00	15,093,348.00	3,053,692.00	15,905,747.00	278,501,541.00

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Particulars	Freehold Land	Freehold Building	Plant & Machinery	Furniture, Fitting & Equipments Installations	Vehicle	Other Equipments	Total
	INR	INR	INR	INR	INR	INR	INR
Accumulated Depreciation							
Opening Accumulated Depreciation	-	2,905,137.00	30,665,676.71	2,969,472.00	743,121.00	433,129.00	37,716,535.71
Depreciation Charge during the year	-	2,905,137.00	13,736,322.33	2,979,013.00	714,508.00	1,007,105.00	21,342,085.33
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2018	-	5,810,274.00	44,401,999.04	5,948,485.00	1,457,629.00	1,440,234.00	59,058,621.04
Net Carrying Amount as at 31 March 2018	12,509,389.00	69,045,180.00	112,681,911.96	9,144,863.00	1,596,063.00	14,465,513.00	219,442,919.96
Net Book Value							
As at 31 March 2018	12,509,389.00	69,045,180.00	112,681,911.96	9,144,863.00	1,596,063.00	14,465,513.00	219,442,919.96
As at 31 March 2017	12,509,389.00	71,950,317.00	125,550,234.29	12,052,876.00	2,310,571.00	9,073,674.00	233,447,061.29
As at 1 April 2016	12,509,389.00	74,855,454.00	139,286,864.29	14,874,991.00	3,186,718.00	4,555,834.00	249,269,250.29

No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year 31 March 18 - Nil, 31 March 2017 - Nil, 1 April 2016 - Nil

Charge on PPE

Entire PPE (except Vehicle) is subject to First Charge to secure bank loans. Respective vehicles are also subject to charge to secure the loan availed for acquire the same.

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	31.03.2018	31.03.2017	1.04.2016
	INR	INR	INR
4 : Financial Assets - Loans			
(Unsecured, considered good unless otherwise stated)			
Loans & Advances	46,359,114.94	31,568,547.00	33,481,193.00
Security Deposits	1,459,215.00	1,289,215.00	1,289,215.00
	47,818,329.94	32,857,762.00	34,770,408.00
Current	46,359,114.94	31,568,547.00	33,481,193.00
Non-Current	1,459,215.00	1,289,215.00	1,289,215.00
5. PREPAYMENTS			
Deferred Loan Processing Fees	34,000.00	76,500.00	119,000.00
	34,000.00	76,500.00	119,000.00
Current	34,000.00	42,500.00	42,500.00
Non-Current	-	34,000.00	76,500.00
6. Inventories			
(a) Raw Materials (at cost)	66,000,994.00	60,706,788.00	61,767,829.00
(b) Work-in-progress (at Cost including appropriate Overhead)	39,607,330.00	42,117,627.00	41,851,752.00
(c) Finished Goods (at lower of Cost & realisable value)	30,682,519.00	36,936,719.00	39,311,012.00
(d) Consumable (at cost)	38,605,746.00	32,805,779.00	-
(e) Stores & spares (at cost)	5,179,818.00	5,519,200.00	45,269,392.00
	180,076,407.00	178,086,113.00	188,199,985.00
7. Trade Receivables	126,884,819.29	144,839,989.00	115,875,141.00
Trade Receivables	126,884,819.29	144,839,989.00	115,875,141.00
Break-up for security details :			
Unsecured, considered good	126,884,819.29	144,839,989.00	115,875,141.00
Provision for Doubtful Debts	(921,131.00)	(921,131.00)	(921,131.00)
	125,963,688.29	143,918,858.00	114,954,010.00
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interested bearing and are generally on terms of 30 to 90 days.			
8. Cash and cash equivalent			
(A) Balances with Banks			
(I) Bank balances held as margin money or as security against :			
(i) Guanrantees	926,829.00	1,048,024.00	921,561.00
(ii) Letters of credit	-	2,025,000.00	2,785,125.00
(II) In Current Accounts	994,486.54	528,789.00	257,145.00
(B) Cash on hand	32,484.37	8,490.00	1,086,203.00
	1,953,799.91	3,610,303.00	5,050,034.00
Cash & Cash equivalents	1,026,970.91	537,279.00	1,343,348.00
Bank Balance other than above	926,829.00	3,073,024.00	3,706,686.00
9. Other Financial Assets			
(Unsecured, Considered good)			
Capital Advances	-	-	-
Others			
Balance with Revenue Authorities	12,622,735.59	9,131,241.00	12,229,526.00
	12,622,735.59	9,131,241.00	12,229,526.00
Current Assets	12,622,735.59	9,131,241.00	12,229,526.00
Non-Current Assets	-	-	-

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10. Share Capital

Authorised Share Capital

Equity Shares

	No.	INR.
At 1st April 2016	15,000,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	15,000,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	15,000,000.00	150,000,000.00

Terms /rights attached to Equity Shares

The company has only one class of equity Shares having par value of INR 10 per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends, if any, in indian rupees.

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential Amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

8% Non-Cumulative Redeemable Preference Shares :

	NO.	INR
At 1st April 2016	1,500,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	1,500,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	150,000,000.00	150,000,000.00

*** Terms/Rights attached to Preference Shares**

The preference shares issued by the company are non-convertible. Preference Shares Amounting to Rs. 10 crores will be redeemed on 14th October, 2031 and Preference Shares amounting to Rs. 4.6 crores will be redeemed on 25th March, 2033 at the price of INR 100/- per share (Face Value). The Preference Shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The Preference Shares rank ahead of the Equity shares in event of liquidation. The presentation of liability and equity portion of these shares is explained in the summary of significant accounting policy.

Detail of shareholder holding more than 5% shares in the company.

NAME OF SHAREHOLDER	31-03-2018		31-03-2017	
	No. of Shares Held	% Holding in that class of shares	No. of Shares Held	% Holding in that class of shares
Equity shares of INR 10 each				
AMIT MAHAJAN	1,350,313.00	9.70%	2,592,390.00	18.63%
Universal Cyber Infoway Pvt. Ltd.	393,177.00	2.83%	951,100.00	6.83%
Preference shares of INR 100 each				
Amit Mahajn S/o Late Sh. Y. D. Mahajan	569,481	39.01%	569,481	39.01%
Pride Properties Pvt. Ltd.	142,400	9.75%	142,400	9.75%
Beckons Industries Pvt. Ltd.	75,000	5.14%	75,000	5.14%
Universal Cyber Infoways Pvt. Ltd.	436,350	29.89%	436,350	29.89%
R. C. Mahajan	87,500	5.99%	87,500	5.99%
Amit Mahajan S/o R.C. Mahajan	75,269	5.15%	75,269	5.15%
Krishna Garden Pvt. Ltd.	74,000	5.07%	74,000	5.07%

Issued Share Capital

Equity Shares

	NO.	INR
At 1st April 2016	13,916,000.00	139,160,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	13,916,000.00	139,160,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	13,916,000.00	139,160,000.00

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	NO.	INR
Equity Component of Redeemable Preference Shares of INR 100 each issued & fully paid		
At 1st April 2016	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	1,460,000.00	98,111,062.00

This note covers the Equity Component of the Issued Convertible Preference Shares. The liability Component is reflected in Financial Liabilities.

	Subscribed & Fully Paid	Subscribed but not fully paid
Subscribed Share Capital		
Equity Shares of INR 10 each		
At 1st April 2016	138,882,000.00	278,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	138,882,000.00	278,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	138,882,000.00	278,000.00

	NO.	INR
Equity Component of Redeemable Preference Shares of INR 100 each issued & fully paid		
At 1st April 2016	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	1,460,000.00	98,111,062.00

	31.03.2018	31.03.2017	01.04.2016
	INR	INR	INR
11 : Other Equity			
Security Premium Reserve	11,805,000.00	11,805,000.00	11,805,000.00
Capital Reserve	1,713,900.00	1,713,900.00	1,713,900.00
Retained Earning	(291,736,577.02)	(252,306,047.03)	(264,542,903.49)
	(278,217,677.02)	(238,306,047.03)	(251,024,003.49)
Reserves & Surplus	(291,736,577.02)	(252,306,047.03)	(264,542,903.49)
Other Reserves	13,518,900.00	13,518,900.00	13,518,900.00
Security Premium Reserve			
Opening Balance	11,805,000.00	11,805,000.00	
Appropriations during the year	-	-	
Closing Balance	11,805,000.00	11,805,000.00	
Capital Reserve			
Opening Balance	1,713,900.00	1,713,900.00	
Appropriations during the year	-	-	
Closing Balance	1,713,900.00	1,713,900.00	
Retained Earning			
Opening Balance	(252,306,045.51)	(263,542,903.49)	
Net profit for the period	(40,759,771.09)	13,425,963.25)	
Actuarial Gains	1,329,242.15	(1,189,105.28)	
Closing Balance	(291,736,574.45)	(252,306,045.51)	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

a. Equity Share Capital Equity Shares of INR 10 each issued, subscribed and fully paid	NO.	INR
At 1st April 2016	13,916,000	138,882,000.00
Increase/(decrease) during the year		
At 31st March 2017	13,916,000	138,882,000.00
Increase/(decrease) during the year		
At 31st March 2018	13,916,000	138,882,000.00

b. Other Equity
For the year ended 31st March 2018

Attributable to the Equity Holder Reserves and Surplus					
	Equity Components of	Share Premium	Capital Reserve	Retain Earnings	Total Equity
As at 1st April 2017	98,111,062.00	11,805,000.00	1,713,900.00	(252,306,046.97)	(140,676,084.97)
Profit for the period				(40,759,771.09)	(40,759,771.09)
Other Comprehensive Income				1,329,242.15	1,329,242.15
Total Comprehensive Income	98,111,062.00	11,805,000.00	1,713,900.00	(291,736,575.91)	(180,106,613.91)
As at 31st March 2018	98,111,062.00	11,805,000.00	1,713,900.00	(291,736,575.91)	(180,106,613.91)
For the year ended 31st March 2017					
Attributable to the Equity Holder Reserves and Surplus					
	Equity Components of	Share Premium	Capital Reserve	Retain Earnings	Total Equity
As at 1st April 2016	98,111,062.00	11,805,000.00	1,713,900.00	(264,542,904.95)	(152,912,942.95)
Profit for the period				13,425,963.25	13,425,963.25
Other Comprehensive Income				(1,189,105.28)	(1,189,105.28)
Total Comprehensive Income	98,111,062.00	11,805,000.00	1,713,900.00	(252,306,046.97)	(140,676,084.97)
As at 31st March 2017	98,111,062.00	11,805,000.00	1,713,900.00	(252,306,046.97)	(140,676,084.97)

For and on behalf of Board of Directors of S.R. Industries Limited

sd/-	sd/-	sd/-
SAMANDEEP KAUR	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial & Chief Financial Officer	Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHENU AGGARWAL)

Partner

Membership No. 527267

FRN 023083N

Place : Chandigarh.

Date : May 30, 2018

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12. Borrowings

	Effective Int. Rate	Maturity	Installment (No.)	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
Non-Current Borrowings						
Term Loan						
From Banks						
(i) Term Loan from SBI (Secured)	16.75%	2011-2019	28	38,071,527.74	38,198,053.00	54,674,737.00
(ii) Term Loan from UCO Bank (Secured)	16.75%	2011-2019	28	60,621,333.04	60,764,077.04	80,794,128.00
(iii) Liability Component of Compound Financial Instrument (Unsecured)	16.75%	2011-2031 & 2013-2033	Lumpsum	16,851,018.00	14,433,420.00	12,362,672.00
(iv) Vehicle Loans (Secured)	10.25%	2016-2019	35.00	395,689.55	752,978.00	1,089,983.00
(v) Compulsory Convertible Deventure (CCD)	20.00%	2017-2019	Lumpsum	54,574,383.00	-	-
Unsecured Loans						
- From Directors (Unsecured)				54,401,492.00	50,210,834.00	55,538,538.00
- From Intercorporate (Unsecured)				5,264,211.00	-	-
Total borrowings				230,179,654.83	164,359,362.04	204,460,058.00
Less: Current maturities of debt				(88,037,298.74)	(51,818,000.00)	(39,752,000.00)
Less : Current maturities of Vehicle Loans				(395,689.55)	(373,564.00)	(335,983.00)
Less : Interest accrued and due				(14,479,945.54)	(2,834,808.00)	(4,886,805.00)
Non-Current Borrowings				127,266,721.00	109,332,990.04	159,485,270.00
(i) Term Loan from SBI (Secured)		Amount		10,820,229.00	3,040,634.00	3,230,985.00
		Period of default		Since June 2017	Since March 2017	Since Jan-2016 March, 2016
(ii) Term Loan from UCO Bank (Secured)		Amount		16,752,403.13	4,395,727.00	6,071,093.00
		Period of default		Since June 2017	Since Jan-2017 March 2017	Since Jan-2016 March 2016
Current Borrowings						
(A) Loans repayable on demand						
Secured						
From Banks						
-State Bank of India	13.80% on Demand			115,639,468.51	115,891,126.00	113,540,845.00
-UCO Bank	14.50% on Demand			85,400,000.00	91,229,321.00	87,822,839.00
Interest accrued and due				27,572,632.13	-	-
				228,612,100.64	207,120,447.00	201,363,684.00
(B) Other Financial Liabilities						
Current						
Current maturities of debt				88,037,298.74	51,818,000.00	39,752,000.00
Current maturities of vehicle loans				395,689.55	373,564.00	335,983.00
Interest accrued and due				14,479,945.54	2,834,808.00	4,886,805.00
				102,912,933.83	55,026,372.00	44,974,788.00

At 31 March 2018, 31 March 2017 and 1 April 2016, there were 14,60,000 number of Redeemable Preference Shares in issue. Each Share has a par value of INR 100.00. Preference Shares amounting to Rs. 10 Crores will be redeemed on 14th October 2031 and Preference Shares amounting to Rs. 4.6 Crores will be redeemed on 25th March, 2033 at par. The Preference Shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The Preference Shares rank ahead of the equity shares in the event of a liquidation. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.

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	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
13. Provisions			
Provision for Employee Benefits	15,277,553.00	14,859,463.00	9,613,456.00
	15,277,553.00	14,859,463.00	9,613,456.00
Current	7,532,594.00	7,744,959.00	6,640,452.00
Non-Current	7,744,959.00	7,114,504.00	2,973,004.00
14. Deferred Income			
Deferred Income on account of Government Grant for EPCG License	993,870.83	2,680,084.37	7,013,221.78
Deferred Income on account of investment Subsidy	1,722,000.00	1,922,000.00	2,122,000.00
Deferred income on account of Government Grant for Property, Plant and Equipments	14,190,530.00	15,475,731.00	16,760,932.00
	16,906,400.83	20,077,815.37	25,896,153.78
Current	4,279,071.83	3,937,590.93	5,818,338.00
Non-Current	12,627,329.00	16,140,224.44	20,077,815.78
Government Grants has been received for the purchase of certain items of Property, Plant and Equipment. There are no unfulfilled conditions or contingencies attached to these Grants.			
15. Deferred Tax Assets / (Liabilities) (Net)			
Deferred Tax Assets / (Liabilities) (Net)	(35,196,777.00)	(33,832,902.00)	(37,885,074.00)
	(35,196,777.00)	(33,832,902.00)	(37,885,074.00)
Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Domestic Tax Rate for 31 March 2017 and 31 March 2018 :			
Accounting Profit before Income Tax	(39,990,303.94)	9,905,532.98)	
At India's statutory Income Tax rate of 30.90% (31 March 2017:30.90%)	(12,357,003.92)	3,060,809.69	
Non-deductible Expenses for Tax purposes	8,582,632.28	6,052,648.25	
Utilisation of previous unrecognised Tax Losses	3,774,371.66	(9,113,457.82)	
Income Tax expenses reported in the statement of profit and loss A/c	-	-	
Reconciliation of deferred tax Liabilities (Net) :			
Opening Balance as on 1 April	(33,832,902.00)	(37,885,074.00)	
Tax Income/(Expense) during the period recognised in profit and loss	(769,467.15)	3,520,430.28	
Tax Income/(Expense) during the period recognised by OCI	(594,407.85)	531,741.72	
Closing Balance as at March 31	(35,196,777.00)	(33,882,902.00)	
16. Other Liabilities			
Statutory dues payables	19,290,223.58	11,814,207.78	5,010,429.67
Other liabilities and payables	4,318,581.23	11,358,231.13	17,160,966.98
	23,608,804.81	23,172,438.91	22,171,396.65
Current	4,318,581.23	11,358,231.13	17,160,966.98
Non-Current	19,290,223.58	11,814,207.78	5,010,429.67

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	31.03.2018	31.03.2017	01.04.2016
	INR	INR	INR
17. Trade payables			
Trade Payables - Raw Material	64,508,606.19	75,855,633.00	109,583,242.00
Trade Payable - Capital	-	831,476.00	831,476.00
Trade Payables - Others	14,846,598.41	62,812,386.00	6,818,614.00
	79,355,204.60	139,499,495.00	117,233,332.00

Terms & Conditions of the above financial liabilities

Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.

18. Revenue from Operations

Revenue from Sale of products	377,709,848.99	443,905,706.57	
Total Sale of Products	377,709,848.99	443,905,706.57	
Other Operating Revenues	96,450.00	11,540.00	
	377,806,388.99	443,917,246.57	

Sale of goods does not include excise duty. Sale of goods net of excise duty is INR 377,709,848.99 (31 March 2017; INR 443,905,706.57). Revenue from operations for periods upto 30 June 2017 does not include excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

19. Other Income

Government Grant	3,171,414.54	5,818,338.41	
Interest Income	189,522.00	144,580.00	
Other Non-Operating Income/(Expense) (Net of Expenses directly attributable to such income)	36,559.43	720,619.00	
	3,397,495.97	6,683,537.41	

Government grants have been received for the purchase of certain items of Property, Plant and Equipment. There are no unfulfilled conditions or contingencies attached to these grants.

20. Cost of Raw Material and Components Consumed

Inventory at the beginning of the year	93,512,567.00	101,836,230.00	
Add: Purchase	234,379,239.71	215,334,433.00	
	327,891,806.71	317,170,663.00	
Less : Inventory at the end of the year	104,606,740.00	93,512,567.00	
Cost of Raw Material and Components Consumed	223,285,066.71	223,658,096.00	

21. Employee Benefits Expenses

Salaries, wages and bonus	78,089,646.36	91,718,729.00	
Contribution to provident and other funds	4,893,809.00	5,190,557.00	
Gratuity Expense	2,166,125.00	1,447,042.00	
Leave Encashment	498,015.00	2,165,100.00	
Staff Welfare Expense	3,064,369.91	2,858,657.00	
	88,711,965.27	103,380,085.00	

22. Finance Costs

Interest Expense	41,906,127.34	56,913,935.00	
Other borrowing Cost	1,025,805.42	4,928,435.00	
	42,931,932.76	61,842,370.00	

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	31.03.2018	31.03.2017	01.04.2016
	INR	INR	INR
23. Other Expenses			
Power & Fuel	9,233,959.00	11,011,804.00	
Other manufacturing Expenses	3,045,054.19	2,913,683.00	
Rent	1,375,000.00	1,051,000.00	
Rates and Taxes	1,214,678.57	319,546.00	
Insurance	631,671.76	698,182.00	
Repairs and maintenance			
Plants and machinery	214,718.00	286,280.00	
Buildings	44,973.00	1,160,868.00	
Vehicle running and maintenance	1,151,096.79	1,067,482.00	
Other selling expenses	7,703,242.89	2,824,005.00	
Travelling and conveyance	1,408,381.58	1,383,358.00	
Legal and professional fees	5,007,126.74	1,615,768.00	
Payment to auditor	129,800.00	126,500.00	
Prior period expenses	-	2,229,998.00	
Loss on sale of fixed assets (Net)	-	73,026.00	
Other Expenses	4,998,939.31	2,157,293.00	
	36,158,641.83	28,918,793.00	
Payment to Auditor			
As auditor			
Audit Fee			
Tax audit fee	129,800.00	126,500.00	
Limited review	-	-	
In other capacity :	-	-	
Taxation matters	-	-	
Company law matters	-	-	
Other services (certification fees)	-	-	
	129,800.00	126,500.00	

For and on behalf of Board of Directors of S.R. Industries Limited

sd/-	sd/-	sd/-
SAMANDEEP KAUR	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial & Cheif Financial Officer	Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHENU AGGARWAL)

Partner

Membership No. 527267

FRN 023083N

Place : Chandigarh.

Date : May 30, 2018

Notes to the Financial Statements for the year ended 31st March 2018

24. Contingent liabilities:

The Central Excise Authorities, Mumbai had imposed duty and penalty aggregating to Rs. 723.00 Lacs (Previous Year Rs. 723.00 Lacs) for purchase of certain items against CT-3 forms without payment of duty. An amount of Rs.85.00 lacs has been paid under protest. The Company has disputed the said demand and filed an appeal to set aside the order. The requisite provisions, if any, will be made in the year of final decision.

25. RELATED PARTY TRANSACTION:

Entity in which Directors are interested		Sales to related Parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Loans Given/ (Received)	(Repayment)/ Received	Amounts owed by related parties
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Universal Cyber Info way Pvt. Ltd.	31.03.18 31.03.17 01.04.16	- - -	- - -	- - -	- - -	(52.64) - -	- - -	- - -
Directors	31.03.18 31.03.17 01.04.16	- - -	- - -	- - -	- - -	(230.02) (167.65) 555.39	188.11 220.93 -	544.02 502.11 555.39

Key Management Personnel		Short Term Employee Benefits	Post-Emp. Benefits	Loan Given/ (Recd.)	(Repay ment)/ Recd.	Amt. owned by Key-Mgt. Personnel
Amit Mahajan Director (Commercial)	31.03.18 31.03.17 01.04.16	23.92 23.80 -	9.27 8.12 -	- - -	- - -	- - -
Amit Mahajan Director (Operations)	31.03.18 31.03.17 01.04.16	21.60 21.60 -	9.38 8.28 -	- - -	- - -	- - -
R C Mahajan Managing Director	31.03.18 31.03.17 01.04.16	37.36 37.84 -	78.66 67.12 -	- - -	- - -	- - -
Director Sitting Fees	31.03.18 31.03.17 01.04.16	0.05 - -	- - -	- - -	- - -	- - -
Company Secretary	31.03.18 31.03.17 01.04.16	3.00 2.85 -	0.09 0.09 -	- - -	- - -	- - -

The amounts disclosed in the table relating to employee benefits are the amounts recognised as an expense during the reporting period related to key management personnel.

Terms and conditions of transactions with related parties

Outstanding balances of Unsecured Loan from Directors and Related Parties at the year-end are unsecured and interest free and settlement occurs in Cash/ Bank. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017: INR Nil, 1st April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

26. Deferred Tax

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has tax losses (Business Loss) of Rs 2,33,65,808 (pertaining to A.Y. 2012-13) and Rs 3,68,85,265 (pertaining to A.Y. 2013-14) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire in March 2022.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits since they have arisen on account of recent losses incurred by the company for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit would increase by INR 1,86,17,582.

27. Employee Benefits:

A. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2017-18	2016-17
Employer's contribution towards Provident Fund	31,86,511	34,52,064

B. Defined Benefit Plan

General description of the plan:

Gratuity	Leave Encashment
Unfunded	Unfunded

C. Method of valuation: Projected unit Credit Method

D. Reconciliation of opening and closing balance of defined benefit obligation: Amount (in Rs.)

Item	Gratuity		Leave	
	2018	2017	2018	2017
Net opening liability/(asset)	57,36,167	25,68,278	91,23,296	70,45,178
Expenses as recognized in P&L account	21,66,125	14,47,042	13,01,253	14,43,772
Remeasurements	(19,23,650)	17,20,847	(8,03,239)	7,21,328
Contributions/benefits paid	(2,21,538)	-	(1,00,861)	(86,982)
Net closing liability (asset)	57,57,104	57,36,167	95,20,449	91,23,296

E. Fair Value of Plan Assets: Amount (in Rs.)

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
FV of plan assets at the beginning of the period	-	-	-	-
Expected Return on plan assets	-	-	-	-
Contributions paid by the employer	2,21,538	-	1,00,861	86,982
Benefit paid by Fund	(2,21,538)	-	(1,00,861)	(86,982)
Assets Acquired/Ceded on settlement	-	-	-	-
Actuarial Gains/(Losses) on plan assets	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-
FV of plan assets at the end of the period	-	-	-	-

F. Amount recognized in the balance sheet : Amount (in Rs.)

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
Present value of DBO/LTEB	57,57,104	57,36,167	95,20,449	9,12,329
FV of plan assets	-	-	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	57,57,104	57,36,167	95,20,449	9,12,329

G. Expense Recognized in Profit or Loss Statement Amount (in Rs.)

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
Current Service Cost	17,64,593	12,48,000	6,62,622	8,97,771
Interest Cost	-	-	-	-
Actuarial (Gain)/ Loss of obligations	-	-	(8,03,239)	7,21,328
Actuarial (Gain)/ Loss of plan assets	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	4,01,532	1,99,042	6,38,631	5,46,001
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	21,66,125	14,47,042	4,98,014	21,65,100

H. Amount Recognized in Other Comprehensive Income Amount (in Rs.)

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	(1,61,877)	2,42,045	(1,51,501)	1,74,548
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(17,61,773)	14,78,802	(6,51,738)	5,46,780
Return on plan assets other than amounts included in net interest cost	-	-	-	-
Re-measurement arising from change in asset ceiling	-	-	-	-
Net(Income)/Expense for the period recognized in Other Comprehensive Income	(19,23,650)	17,20,847	(8,03,239)	7,21,328

I. Valuation Assumptions(Financial)

	2018	2017
Discount Rate	7.00%	7.00%
Estimated rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	NA	NA

(Demographic)

Mortality basis	Indian Assured Lives Mortality (2006-08) Ult
Attrition	5%
Disability	No explicit allowance
Leave availment factor	0%

Average Weighted Duration of liabilities:

Sensitivity Analysis

Item	Gratuity		Leave	
	2018	2017	2018	2017
Increase Discount Rate by 0.50%	5630347	5572319	9401025	9005409
Decrease Discount Rate by 0.50%	5891221	5910692	9646048	9247693
Increase Salary Inflation by 1%	6022404	6092767	9779269	9378979
Decrease Salary Inflation by 1%	5517657	5417398	9282159	8889344
Increase in Withdrawal Rate by 5%	5830828	5724765	9688389	9254574
Decrease in Withdrawal Rate by 5%	5552399	5599183	9246951	8900739

28. Fair Value of Financial Instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

Amount (in Rs.)

Category	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Asset at Amortized cost				
Loan (refer Note No 4)	47,818,329.94	32,857,762.00	47,818,329.94	32,857,762.00
Other Current Financial Assets (refer Note No 7)	126,884,819.29	144,839,989.00	126,884,819.29	144,839,989.00
Financial Liabilities at Amortized cost				
Non-Current borrowings including current maturities (refer note no 12)	230,179,654.83	164,359,362.04	230,179,654.83	164,359,362.04
Current borrowing (refer note no 12)	228,612,100.64	207,120,447.00	228,612,100.64	207,120,447.00

The management assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors, other current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of loans from banks and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value. The Company enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses Mark to Market provided by Bank for valuation of these derivative contracts.

The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

Fair value hierarchy

The Company uses the 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 that have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018				
Loans (refer note no 4)	47,818,329.94	-	47,818,329.94	-
Other current financial assets (refer note no. 7)	126,884,819.29	-	126,884,819.29	-
(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017				
Loans (refer note no 4)	32,857,762.00	-	32,857,762.00	-
Other current financial assets (refer note no. 7)	144,839,989.00	-	144,839,989.00	-
(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 1, 2016				
Loans (refer note no 4)	34,770,408.00	-	34,770,408.00	-
Other current financial assets (refer note no. 7)	115,875,141.00	-	115,875,141.00	-
(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018				
Non-Current borrowings including current maturities (refer note no 12)				
	230,179,654.83	-	230,179,654.83	-
Current borrowings (refer note no. 12)				
	228,612,100.64	-	228,612,100.64	-
(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017				
Non-Current borrowings including current maturities (refer note no 12)				
	164,359,362.04	-	164,359,362.04	-
Current borrowings (refer note no. 12)				
	207,120,447.00	-	207,120,447.00	-
(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 1, 2016				
Non-Current borrowings including current maturities (refer note no 12)				
	204,460,058.00	-	204,460,058.00	-
Current borrowings (refer note no. 12)				
	201,363,684.00	-	201,363,684.00	-

29. Financial risk management objectives and policies

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Finance department under policies approved by the Board of Directors from time to time. The Finance department, evaluates

and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employs prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Company.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2016, March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

	0-1 Years	1-5 Years	More than 5 years	Total
March 31, 2018				
Interest bearing borrowings	228,612,100.64	54,574,383.50	27,506,580.04	310,693,064.18
Trade and Other payable (refer note no. 17)	79,355,204.60	-	-	79,355,204.60
Other financial liabilities (refer note no 12)	102,912,933.83	-	-	102,912,933.83
% to Total	83.35%	11.07%	5.58%	100%
March 31, 2017				
Interest bearing borrowings	207,120,447.00	379,414.00	61,577,550.04	269,077,411.04
Trade and Other payable (refer note no. 17)	139,499,495.00	-	-	139,499,495.00
Other financial liabilities (refer note no. 12)	55,026,372.00	-	-	55,026,372.00
% to Total	86.64%	0.08%	13.28%	100%
April 01, 2016				
Interest bearing borrowings	201,363,684.00	754,000.00	108,079,537.00	310,197,221.00
Trade and Other payable (refer note no. 17)	117,233,332.00	-	-	117,233,332.00
Other financial liabilities (refer note no. 12)	44,974,788.00	-	-	44,974,788.00
% to Total	76.96%	0.16%	22.88%	100%

Reconciliation of Interest bearing borrowings		Amount (in Rs.)	
Schedule no	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
(i) Non-Current borrowings	12	127,266,721.00	109,332,990.04
Adjustment for Non Interest bearing Unsecured Loans		(59,665,703.00)	(50,210,834.00)
Adjustment for Interest accrued and due		14,479,945.54	2,834,808.00
(ii) Short-term borrowings	12	228,612,100.64	207,120,447.00
		310,693,064.18	269,077,411.04

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks, foreign exchange transactions and other financial assets.

(i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on group category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department team in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017 and March 31, 2016 is the carrying amounts as illustrated in note 8 (i), 8 (vi) and the liquidity table above.

c) 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 risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of at March 31, 2018 and March 31, 2017.

(i) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

Interest rate Sensitivity of Borrowings *

(Rs. in Lakhs)

Year	Increase/ decrease in Interest rate	Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31, 2018	0.50%	(39.50)	39.50
March 31, 2017	0.50%	(65.82)	65.82

* excludes short term borrowings i.e. Cash credit, packing credit, bills discounted and working capital demand loan.

(ii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of raw material and therefore requires a continues supply. The Company operations may impact due to changes in prices of those raw materials.

Commodity price sensitivity of Raw material

(Rs in lakhs)

Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2018	10%	(4,955.49)
For the year ended March 31, 2018	-10%	4,955.49
For the year ended March 31, 2017	10%	(4,654.59)
For the year ended March 31, 2017	-10%	4,654.59

30. Capital Management :

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, Liability Component of compound financial instrument (CFI), security premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Borrowings	355,878,821.64	316,453,437.04	360,848,954.00
Other financial liabilities	102,912,933.83	55,026,372.00	44,974,788.00
Trade payables	79,355,204.60	139,499,495.00	117,233,332.00
Less: Cash and Cash equivalents	(1,026,970.91)	(537,279.00)	(1,343,348.00)
Less: Other bank balances	(926,829.00)	(3,073,024.00)	(3,706,686.00)
Net Debt	536,193,160.16	507,369,001.04	518,007,040.00
Equity share capital	138,882,000.00	138,882,000.00	138,882,000.00
Other equity	(180,106,615.02)	(140,676,085.03)	(152,912,941.49)
Total Equity	(41,224,615.02)	(1,794,085.03)	(14,030,941.49)
Total Capital and net debt	494,968,545.14	505,574,916.01	503,976,098.51
Gearing ratio	-1301%	-28280%	-3692%

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31. First-time adoption of Ind AS:

These financial statements, for the year ended 31st March 2018, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

→ The Company has opted to continue with the carrying value as recognized in previous GAAP financials as deemed cost for all its Property, Plant & Equipment (PPE) after considering the necessary. All Property, Plant and Equipments, other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of historical costs as on 31st March 2016. The Company has elected to regard those values as deemed cost at the date of the transition since they were broadly comparable to fair value. The company has also determined that deemed cost as at 31st March 2016 does not differ materially from fair valuation as at 1st April 2016. Accordingly, the company has not revalued the property at 1st April 2016.

Estimates:

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) except for Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present such amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of Equity as on 1st April 2016 (date of transition to IND AS)

Particulars	Notes	IGAAP	Adjustments	Ind AS
		As at April 1, 2016	As at April 1, 2016	As at April 1, 2016
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	1	210,976,129.48	38293120.81	249269250.29
Financial Assets				
(d) Security Deposits		1,289,215.00	0.00	1289215.00

Prepayments	2	-	76500.00	76500.00
(B) CURRENT ASSETS				
i) Inventories		188,199,985.23	0.00	188199985.23
ii) Financial Assets				
(a) Trade Receivables		114,954,010.06	0.00	114954010.06
(b) Cash & Cash Equivalents	3	1,395,521.52	(52173.52)	1343348.00
(c) Bank Balance other than (b) above		3,706,686.00	0.00	3706686.00
(d) Loans		33,481,193.32	0.00	33481193.32
(e) Others		12,229,526.00	0.00	12229526.00
iii) Prepayments	2	-	42500.00	42500.00
Total Assets		566,232,266.58	38359947.32	604,592,213.90
EQUITY AND LIABILITIES				
(C) EQUITY				
i) Equity Share capital		138,882,000.00	0.00	138882000.00
ii) Other Equity				
(a) Equity Component of Compound Financial Instrument				
(b) Reserve & Surplus	8	(277,422,256.46)	12879352.97	(264542903.49)
(c) Other Reserves	1	16,518,900.00	(3000000.00)	13518900.00
(D) LIABILITIES				
Non Current Liabilities				
i) Financial Liabilities				
(a) Borrowings	4	147,122,598.78	12362671.22	159485270.00
(b) Other Financial Liabilities			0.00	0.00
ii) Provisions		3,339,269.00	(366265.00)	2973004.00
iii) Deferred Income	5	-	20077815.78	20077815.78
iv) Deferred Tax Liabilities (Net)	6	-	37885074.00	37885074.00
v) Other Non Current Liabilities		5,010,429.67	0.00	5010429.67
Current Liabilities				
i) Financial Liabilities				
(a) Borrowings		201,363,684.61	0.00	201363684.61
(b) Trade payables		117,233,332.00	0.00	117233332.00
(c) Other Financial Liabilities		44,974,788.00	0.00	44974788.00
ii) Other Current Liabilities		-	0.00	0.00
iii) Provisions		6,048,554.00	591898.35	6640452.35
iv) Deferred Income	6	-	5818338.00	5818338.00
v) Other Current Liabilities		17160966.98	0.00	17160966.98
Total Equity & Liabilities		566,232,266.58	38359947.32	604,592,213.90

Particulars	Attributable to the equity holders					Total equity
	Reserves and Surplus					
	Equity component of the redeemable preference shares	Share Premium	State Investment Subsidy	Capital Reserve	Retained Earnings	
Opening As at 31st March 2016	146000000	11805000	3000000	1713900	-277422255	-114903355
Transitional Adjustments on account of:						
Debt Component of Compound Financial Instrument	-6595004					-6595004
Tax Impact on Equity Component of CFI	-41293934				41293934	0
Interest on Debt Component of CFI					-5767668	-5767668
Depreciation on PPE out of EPCG adjustment					-13945586	-13945586
Recognition of Deemed Income over License Period of EPCG					28208944	28208944
Amortization of Processing Fee over tenor term of loan					119000	119000
Adjustment on account of amortization of Investment Subsidy Reserve over the useful life of assets					878000	878000
Adjustment on account of amortization of Deferred Income on subsidy					255608	255608
Deferred Tax adjust for the above transitional adjustments					-37885074	-37885074
Other Adjustments			-3000000			-3000000
Errors:						
Adjustment on the account of FDR written off					-52173	-52173
Adjustment on account of change in Actuarial Valuation					-225633	-225633
Total Comprehensive Income	98,111,062	11,805,000	0	1,713,900	-264,542,902	-152,912,941
At 1st April 2016	98,111,062	11,805,000	0	1,713,900	-264,542,902	-152,912,941

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1. Property, Plant & Equipment:

As per INDAS 20, accounting for Government grants and disclosure of Government Assistance, the Company has already deducted the amount of grant from the cost of fixed assets and it has recognized the amount of unamortized deferred income as at the date of transition in accordance with paragraph 10 of IND AS 101. The corresponding adjustment has been made in the carrying value of PPE (Net of cumulative depreciation impact) and retained earning respectively, as the grant is directly linked to PPE.

Further, the deferred income is recognized as income over the period of the EPCG licenses.

Under Indian GAAP, the transaction costs incurred in connection with borrowings are capitalized as part of the fixed assets and amortized accordingly. However as per IND AS 109, the carrying amount of loan is required to be restated to its amortised cost as at the date of the transition. Since the Company had already capitalized the processing cost as a part of the cost of the fixed assets, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101, the carrying amount of fixed assets as at the date of the transition has been reduced by the amount of processing cost (net of cumulative depreciation impact).

2. Prepayments:

Under Indian GAAP the processing cost incurred for loans was accounted as under:

- a. In Case the loan has been availed for funding of capital asset, the processing fee was capitalized as part of the cost of the asset;
- b. In case the loan has been availed for meeting working capital gap the processing fee incurred is charged to profit and loss account

However as per IND AS 109, the carrying amount of loan is required to be restated to its amortised cost as at the date of the transition. Since the respective loans availed by the Company carried floating rate of interest and the transaction cost was not material hence the transaction cost has been amortized on straight line basis over the tenure of the respective loan.

3. Cash & Cash Equivalents:

As per Indian GAAP all amounts in the bank used to be classified as Cash & Cash equivalents. However as per Ind AS cash or a cash equivalent the use of which is restricted from being exchanged or to settle a liability for at least twelve months after the reporting period are to be shown as Other Bank Balances. Accordingly the amounts which are held by the bank as margin money resulting in to restriction on its usage has been classified as Other Bank Balances which are not part of Cash or a Cash Equivalent.

4. 8% Non Cumulative/ Non Convertible Redeemable Preference Share Capital:

AS 32 requires the issuer of a non-derivative financial instrument to evaluate the terms of the financial instrument to determine

whether it contains both a liability and an equity component. This evaluation is based on the contractual terms of the financial instruments, the substance of the arrangement and the definition of a financial liability, financial asset and an equity instrument. If such components are identified, they must be accounted for separately as financial liabilities, financial assets or equity, [IAS 32.28], and the liability and equity components shown separately in the statement of financial position. [IAS 32.29].

The Preference Shares issued by the company are non-convertible and will be redeemed in year 2031 and 2033 at the price of INR 100/- per share. The Preference Shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The same has been classified as Compound Financial Instrument and segregated in to Debt and Equity as per above said explanation. Further Equity Portion of the Compound Financial Instrument has been shown net of tax impact.

5. EPCG/ Deferred Income:

As per Ind AS 20, accounting for government grants and disclosure of government assistance, the Company has already deducted the amount of grant from the cost of the fixed assets and it has recognised the amount of unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

Further, the deferred income is recognised as income on the basis of fulfilment of corresponding export obligations with respect to the grant availed.

6. Deferred Tax:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional/ restatement adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences.

7. Errors:

a. Cash and Cash Equivalents:

As per IND AS, Fixed Deposits shown in Cash and Cash Equivalents as per IGAAP does not qualify for the definition of assets and hence has been written off.

b. Provisions:

Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet on the basis of Actuarial Report as per IND AS 19. Due to change in the Financial,

Experience and Demographic assumptions, there has been change in the liability of provisions which has been reflected in the current as well as non current liability.

8. Retained Earnings:

Retained earnings as at 31st March, 2017 and 1st April, 2016 have been adjusted consequent to the Ind AS transition adjustments mentioned herewith.

9. Statement of Cash Flows:

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

10. Other Comprehensive Income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income', includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

11. Remeasurements of post-employment benefit obligations:

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

For **NJ & ASSOCIATES** ,
Chartered Accountants
sd/-

Place: Chandigarh.

(CA SHENU AGGARWAL)

Partner

Date : May 30, 2018

Membership No. 527267

FRN 023083N

NOTICE

Notice is hereby given that the TwentyNinth Annual General Meeting of the shareholders of the company will be held on Thursday, the 27th day of September, 2018 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8 B, Mohali, Punjab to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018 and the Profit and Loss Account & cash flow statement for the year ended on that date together with the reports of Auditors' and Directors' including the management & discussion analysis thereon.
2. To appoint a director in place of Mr. Amit Mahajan (DIN: 00038827), Director (Operations) who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS :

3. Rescission/ Withdrawal of Special Resolution No. 1 passed through Postal Ballot dated 12th March, 2018.
To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
"RESOLVED THAT the resolution passed by the members through Postal Ballot dated 12th March, 2018 for Alteration of Capital Clause in the Memorandum of Association of the Company by reclassifying the existing authorised share capital and the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association be and is hereby rescinded/withdrawn."
4. Rescission/ Withdrawal of Special Resolution No. 2 passed through Postal Ballot dated 12th March, 2018.
To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
"RESOLVED THAT the resolution passed by the members through Postal Ballot dated 12th March, 2018 for Variation of rights, terms and conditions of the Redeemable Preference Shares and their conversion into 0.01% Optionally Convertible Preference Shares and the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association be and is hereby rescinded/withdrawn."
5. Rescission/ Withdrawal of Special Resolution No. 3 passed through Postal Ballot dated 12th March, 2018.
To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
"RESOLVED THAT the resolution passed by the members through Postal Ballot dated 12th March, 2018 for issue of Equity shares of the Company to the Promoter / Promoter Group against the outstanding unsecured loans received by the Company from its promoter/promoter group be and is hereby rescinded/withdrawn."

For and on behalf of the Board

Place: Mohali
Date: 14.08.2018
Regd. Office:
E-217, Industrial Area,
Phase 8 B, Mohali, Punjab

sd/-
(R. C. Mahajan)
Managing Director
DIN : 00038661

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND**

AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company shall remain closed from 21.09.2018 to 27.09.2018 (both days inclusive).
4. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies or societies etc. must be supported by appropriate resolutions / authority, as applicable.
5. In case of joint holders attending the meeting, the joint holder who is higher in order of names under a given Folio / DP ID-Client ID (in respect of dematerialized shares) will be entitled to vote.
6. Members / Proxies are requested to bring their copy of this notice along with duly filled admission slip for attending the meeting.
7. Members holding shares in physical form are requested to notify change in address, if any, to the company at its Registered Office or to the Registrar & Transfer Agents – M/s Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.
8. Members holding shares in electronic form are requested to notify change in their address, if any, to their Depository Participant.
9. Pursuant to the provisions of Companies Act, 2013 read with the rules framed thereunder, the company may send notice of general meeting and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity atleast once in a financial year to the members to register their e-mail address and changes therein. In view of the same, members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, members are requested to inform their e-mail ID to the company.
10. Electronic copy of the notice of general meeting of the company is being sent to all the members whose email ids are registered with the company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies are being sent by the permitted mode.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Regulations, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening annual general meeting to be held on Thursday, the 27th day of September, 2018 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8-B, Mohali (Punjab). The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
12. The instructions for members for e-voting are as under:
 - (i) The voting period begins on Monday, the 24th day of September, 2018 at 09:00 A.M. and ends on Wednesday, the 26th day of September, 2018 at 5.00 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 (record date) of Thursday, the 20th day of September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 Members 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 the relevant Company, i.e. S R Industries Limited on which you choose to vote (EVSN 180830063).

(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 print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same 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) Note for Non - Individual Shareholders and Custodians

 Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

 A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to 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.

(xix) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Since, the Company is required to provide the members facility to exercise their vote by electronic means, shareholders of the company, holding shares either in physical form or dematerialized form as on the cut-off date i.e. Thursday, the 20th September, 2018 and not casting their vote electronically, may also cast their vote at the Annual General Meeting.

(xxi) The members who have cast their vote by e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

(xxii) Mr. Ramesh Bhatia, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxiii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting thereafter, unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in employment of the Company and make, not later than 3 days from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2

A brief profile of the Director retiring by rotation and is eligible for re-appointment:

Mr. Amit Mahajan (DIN: 00038827), Director (Operations) who retires by rotation and is eligible for re-appointment.

Age: 44 years as on 31.03.2018

Qualification: Be (Mech.)

Experience: Over 23 years experience in handling operational activities.

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid: No change, as per last year.

Remuneration last drawn by such person: Rs. 21.60 Lacs.

Date of first appointment on the Board: 01.09.2006

Shareholding in the company: Holds 411450 shares as on 31.03.2018

Relationship with other Directors, Manager and other Key Managerial Personnel of the company: Being a promoter, he is related to other promoters.

Number of Meetings of the Board attended during the year: 8

Other Directorships: Nil

Membership/ Chairmanship of Committees of other Boards: Nil

Item No. 3

Your Board at its meeting held on 14th August, 2018 has decided to rescind the Special Resolution No. 1 passed by the members through Postal Ballot dated 12th March, 2018 for Alteration of Capital Clause in the Memorandum of Association of the Company by reclassifying the existing authorised share capital of Rs. 300,000,000 (Rupees Thirty Crore only) divided into 15,000,000 (One Crore Fifty lakhs) Equity Shares of Rs.10 each (Rupees Ten only) and 1,500,000 (Fifteen Lakhs) 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 (Rupees Hundred only) each to Rs. 300,000,000 (Rupees Thirty Crore only) divided into 21,750,000 (Two Crore Seventeen Lakhs Fifty Thousand) Equity Shares of Rs. 10 each (Rupees Ten only) and 7,50,000 (Seven Lakhs Fifty Thousand) 0.01% Optionally Convertible Preference Shares of Rs. 100 (Rupees Hundred only) and 75,000 (Seventy-Five Thousand) 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 (Rupees Hundred only) each, and accordingly the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association shall also be rescinded/ withdrawn.

The Board of Directors recommends the Special Resolution as set out under item No. 3 for approval of the members of the Company.

None of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed Special Resolution

except to the extent of their shareholding in the Company, if any.

Item No. 4

Your Board at its meeting held on 14th August, 2018 has decided to rescind the Special Resolution No. 2 passed by the members through Postal Ballot dated 12th March, 2018 for Variation of rights, terms and conditions of the Redeemable Preference Shares and their conversion into 0.01% Optionally Convertible Preference Shares and accordingly the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association shall also be rescinded/ withdrawn.

The Board of Directors recommends the Special Resolution as set out under item No. 4 for approval of the members of the Company.

None of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed Special Resolution except to the extent of their shareholding in the Company, if any.

Item No. 5

Your Board at its meeting held on 14th August, 2018 has decided to rescind the Special Resolution No. 3 passed by the members through Postal Ballot dated 12th March, 2018 for Issue of Equity shares of the Company to the Promoter / Promoter Group against the outstanding unsecured loans received by the Company from its promoter/promoter group.

The Board of Directors recommends the Special Resolution as set out under item No. 5 for approval of the members of the Company.

None of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed Special Resolution except to the extent of their shareholding in the Company, if any.

For and on behalf of the Board of Directors of SR Industries Ltd.

Place: Mohali
Date: 14.08.2018
Regd. Office:
E-217, Industrial Area,
Phase 8 B, Mohali

sd/-
(R. C. Mahajan)
Managing Director
DIN : 00038661

**Form no. MGT-11
Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : **L29246PB1989PLC009531**
Name of the Company : **S R Industries Limited**
Registered office : **E-217, Industrial Area, Phase 8-B, Mohali, Punjab**

I/We, being the member (s) of Shares of the above named company, hereby appoint

1. Name:
Address:
Email ID:
Signature:....., or failing him
2. Name:
Address:
Email ID:
Signature:....., or failing him
3. Name:
Address:
Email ID:
Signature:.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Twenty Ninth Annual General Meeting of the Company, to be held on Thursday, the 27th day of September, 2018 at 09.00 A.M at E-217, Industrial Area, Phase 8-B, Mohali (Punjab) and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

Ordinary Business

1. Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors
2. Re-appointment of Mr. Amit Mahajan, Director (Operations) (DIN : 00038827) retiring by rotation

Special Business

3. Rescission/ Withdrawal of Special Resolution No. 1 passed through Postal Ballot dated 12th March, 2018.
4. Rescission/ Withdrawal of Special Resolution No. 2 passed through Postal Ballot dated 12th March, 2018.
5. Rescission/ Withdrawal of Special Resolution No. 3 passed through Postal Ballot dated 12th March, 2018.

Signed this day of, 2018

Signature of Shareholder:

Affix
Revenue
Stamp

Signature of Proxy Holder (s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

REGD. OFFICE: E-217, INDUSTRIAL AREA, PHASE 8-B, MOHALI

**Twenty Ninth Annual General Meeting
September 27, 2018**

**S. R. Industries
L i m i t e d**

Folio No. _____ DPID _____
No of Share(s) held _____ Client ID _____

Full name of the Member/Proxy attending the meeting

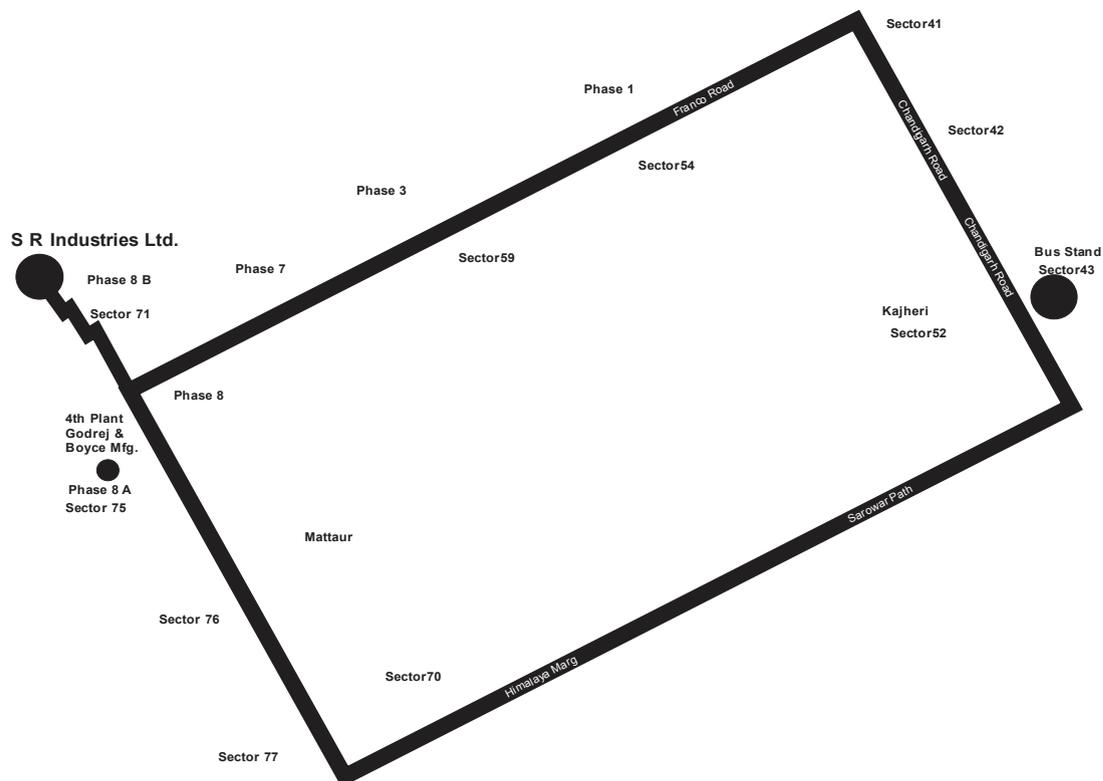
(First Name) (Second Name) (Surname)

FIRST HOLDER/JOINT HOLDER/PROXY
(Strike out whichever is not applicable)

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company held on Thursday, the 27th day of September, 2018 at 09:00 a.m. at E 217, Industrial Area, Phase 8-B, Distt. Mohali, Punjab -160071.

Signature of the Member/Proxy

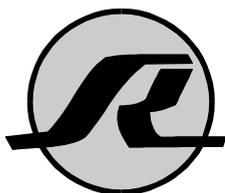
**Road Map
From Bus Stand, Sector 43, Chandigarh to S R Industries Ltd, E-217, Phase- 8B, Mohali**



**S. R. Industries
L i m i t e d**
Annual Report 2017-18

BOOK - POST

S .R. Industries Limited



Regd. Office:
E-217, Industrial Area, Phase 8-B,
Distt. Mohali (Punjab)
Phones : (0172) 4602888