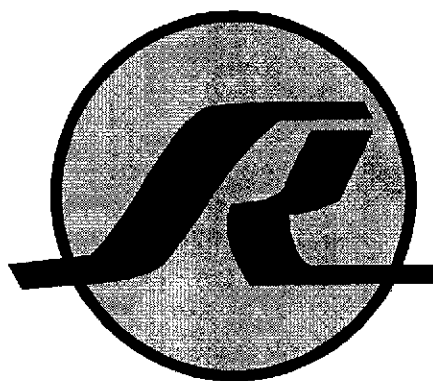


**Twenty Sixth Annual Report
2014-15**



S. R. INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their TWENTY SIXTH ANNUAL REPORT and the Audited Statement of Accounts for the year ended March 31, 2015.

FINANCIAL RESULT

	2014-15	(Rs./laca) 2013-14
Turnover	5870.46	4607.37
Export Incentive	0.00	0.00
Profit/(Loss) before interest, depreciation and taxation	1102.89	837.18
Financial expenses	(698.01)	(688.29)
Profit/(Loss) before depreciation & taxation	404.88	150.89
Depreciation	(177.16)	(139.43)
Exceptional Items	(58.91)	-
Earlier Year Taxes	(85.19)	-
-Deferred Tax	-	-
(Expenses)/Income relating to earlier years	1.74	3.28
Net Profit/(Loss) after tax	105.36	14.74
Earning per share (Rs.)		
- Basic/Diluted	0.76	0.11

FUTURE PROSPECTS

The Board of Directors are pleased to inform that the company has produced 1.00 million pairs of shoes, sandals and other footwear during the current year as against 1.06 million pairs during the previous year. Although the production has reduced in number of pairs, the Company has improved its product mix by adding higher value products to increase revenues and profitability. The company has long term arrangements with Puma Sports India Private Limited and also negotiating with other MNCs for producing sports & other footwear on their behalf. The Company shall also continue to improve its product mix and production efficiency to further improve the sales.

DIVIDEND

In view of cumulative losses, your Directors, do not recommend any dividend for the period under review.

SHARECAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 13.92 Crore. During the year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There is no change in the share capital of the Company.

FINANCE

(a) Project finance

State Bank of Patiala has sanctioned and disbursed SLC Limit of Rs. 0.40 Crore during the year under review.

(b) Working capital

The working capital limits stood at Rs. 16.42 Crores (fund based Rs. Rs.16.42 Crores & non-fund based Rs. 0.54 Crores) as on 31st March, 2015.

(c) Term Loan

The Term Loan stood at Rs.15.88 Crores as on 31st March, 2015.

(d) Deposits

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

(e) 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.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATES/COMPANIES

Your Company does not have any associate/subsidiary/joint ventures within the meaning of the Companies Act, 2013.

BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing agreement, the company has constituted a Risk Management Committee under the Chairmanship of Mr. R. C. Mahajan, Managing Director of the Company. The other members of the Committee are Mr. Amit Mahajan, Director (Operations) and Mr. Amit Mahejan, Director (Commercial). In line with the new regulatory requirements, the company has also 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

details of committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's risk management systems and programs comprises of various processes, structures, processes and guidelines which assist the Company to identify, assess, monitor and manages its risks, including any material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Management and the Risk Management Committee to oversee and manage the Risk Management Programs.

INTERNAL FINANCIAL CONTROL SYSTEM

Effective and strong internal control systems are developed in the Company for all the 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 i.e. 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 a vigil mechanism named "Whistle Blower Policy/Vigil Mechanism" to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business but were not at arm's length basis. The Company had obtained the approval of the shareholders to enter into related party transactions in Extra-ordinary General Meeting held in March, 2015. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The detail of transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The form (AOC-2) disclosing the particulars of contracts/arrangements entered into by the company with related parties referred to in Section 188 of the Companies Act, 2013 is attached herewith as Annexure A.

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

There are 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 the Company Mr. Amit Mahajan, Director (Commercial) (DIN 00038593) shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

During the year under review, Mrs. Seema Mahajan (DIN 06978146) was appointed as an Independent Director, for a period of five years, w.e.f. 10th November, 2014. In accordance with the provisions of the Companies Act, 2013, Mr. R. K. Bhandari, will be appointed as an Independent Director for a period of five years, at the forthcoming annual general meeting.

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 Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the working of its Audit, Nomination & Remuneration and Stakeholder's Relationship Committee. 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.

*** 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 stated in the Corporate Governance Report forming part of the Board's Report.

*** Meetings**

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

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 The Sexual Harassment of Women at the Workplace (Prevention, Prohibition, & 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 2014-15:

- a) No. of complaints received: Nil
- b) No. of complaints disposed off: Nil

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as required under the Listing Agreement with the Bombay Stock Exchange Ltd. (BSE), Mumbai is annexed to this report. The Certificate issued by the Practicing Company Secretary, in pursuance of Clause 49 of the Listing Agreement in compliance of Corporate Governance, 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 and clause 49(3)(D)(4)(a) of the Listing Agreement, your Directors state that:

- i) in the preparation of the annual accounts for the year ended March 31, 2015, 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, 2015 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

M/s Kansal Singla & Associates, Statutory Auditors, hold office until the conclusion of the ensuing annual general meeting and being eligible, offer themselves for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder and willingness to accept the office of the Statutory Auditors, if reappointed.

In terms of provisions of section 139 and 141 of the Companies Act, 2013, your Directors recommend their re-appointment for a period of five years starting from the conclusion of the ensuing Annual General Meeting of the company upto the conclusion of the Annual General Meeting required to be held for the financial year 2019-20 subject to ratification by the members at every Annual General Meeting. The auditors have forwarded their certificate stating that their re-appointment, if made will be in accordance with the criteria specified under Section 141 of the Companies Act, 2013.

2. Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed 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 as Annexure B.

MANAGEMENT REPLY ON QUALIFICATION BY SECRETARIAL AUDITOR

The observation of the Secretarial Auditor is self explanatory and require no further explanation.

PARTICULARS OF EMPLOYEES

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 Rs. 60 lacs per annum to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs. 60 lacs during the financial year 2014-15.

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 provided in the Annexure forming part of the Annual Report. Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished free of cost.

The Nomination and Remuneration Committee of the Company has confirmed that the remuneration was as per the remuneration policy of the Company.

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 herewith as Annexure C.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual return in Form MGT-9 is annexed herewith as Annexure D.

ACKNOWLEDGMENT

Your Directors convey their sincere thanks to the various agencies of the 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 vendors, suppliers, dealers, customers, shareholders and 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
(R.K. BHANOARI)
Chairman

Place: Mohali
Date : August 12, 2015

**ANNEXURE TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in abiding by the Code of Corporate Governance so as to be a responsible corporate citizen and to serve the best interest of all the 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 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 down by the Management. The most important part of Corporate Governance is the best business principles and leadership. The Company has also followed the implementation schedule of Corporate Governance Code as mentioned in Clause 49 of the Listing Agreement. The Directors are pleased to report the same as under

BOARD OF DIRECTORS

The present strength of the Board is six. The Board comprises of Executive and Non-Executive Directors. Three Directors including the Managing Director, are Whole-time Directors (Executive Directors). There are three Non-Executive Directors, including the Chairman, all of them being Non Executive Independent Directors.

The composition of Board, number of Directorships & Committee positions held by each of the Directors are given hereunder -

Sl. No	Name of Director	Category	No. of Board Meeting(s) attended	Attendance at Previous AGM held on September 29, 2014	No. of Outside Directorship(a) held (**)		No. of Membership(s)/ Chairmanship(s) In other Committees (***)
					As Director	As Chairman	
1.	Mr.R.K.Bhandari (DIN 00354242)	Non-Executive & Independent	3	YES	-	-	-
2.	Mr.R.C.Mahajan (DIN 00038661)	Managing Director	8	YES	1	-	-
3.	Mr.Amit Mahajan (DIN 00038593)	Whole-time Director	8	YES	3	-	-
4.	Mr.Amit Mahajan (DIN 00038527)	Whole-time Director	8	YES	-	-	-
5.	Mr.M.M. Puri (DIN 01711466)	Non-Executive & Independent	3	No	-	-	-
6.	*Mrs.Seema Mahajan (DIN 06978146)	Non-Executive & Independent	2	N.A.	-	-	-

**Excludes directorship held in private limited companies, foreign companies, companies under section 6 of the Companies Act, 2013 and memberships of Managing Committees of other Chambers/Institutions/Boards.

*** Includes Membership/Chairmanship of Audit Committee and Shareholders Grievances Committee only.

During the year none of the Directors was either a member of more than ten committees or Chairman of more than five committees of any public limited company.

^ Appointed as Director w.e.f 10.11.2014. 2 meetings were held during her tenure.

MEETING OF INDEPENDENT DIRECTORS

During the the year under review, the Independent Directors met on February 13, 2015, 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. The detail of such familiarization programme for Independent Directors are posted on the website of the Company and can be accessed at <http://www.srfootwears.com/familiarization-programme.html>

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the working of Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee. A structured questionnaire was prepared which is also given in the "Nomination and Remuneration Policy of the Company" as displayed on the website of the company, to evaluate the performance of the Board, Independent and Non-independent Directors, Chairman and various Committees of the Board.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The directors expressed their satisfaction with the evaluation process.

DECLARATION BY INDEPENDENT DIRECTORS

Certificate of Independence pursuant to Section 149(6) and (7) of the Companies Act 2013 & other applicable provisions, if any, of the Companies Act, 2013, has been received from all the Independent Directors of the Company namely, Mrs. Seema Mahajan (DIN 06978146), Mr. Ramesh Kumar Bhandari (DIN 00354242) and Mr. Madan Mohan Puri (DIN 01711466).

BOARD MEETINGS AND ATTENDANCE

During the year ended March 31, 2015, 6 Board Meetings were held on the following dates -

Date of Meeting	Board Strength	No. of Directors Present
May 17, 2014	5	3
May 31, 2014	5	3
August 12, 2014	5	5
September 05, 2014	5	3
September 09, 2014	5	3
November 10, 2014	5	5
February 13, 2015	6	6
March 13, 2015	6	6

The gap between two Board Meetings did not exceed four months. The

Agenda and other papers having adequate information for consideration of the Board are circulated well in advance. Further, the compliance report of statutory requirements is placed before the Board on quarterly basis.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

None of the Non-Executive Directors of the Company holds any equity shares of the Company.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has adopted a Code of Conduct for Board of Directors and Senior Management, herein referred to as (the Code). The Code has been communicated to the Directors and the members of the Senior Management. The Code has also been posted on the Company's website www.srfootwears.com. All Board Members and Senior Management have confirmed compliance with the Code for the year ended March 31, 2015. The Annual Report contains a declaration to this effect signed by the Managing Director.

RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Mr. R. K. Bhandari (DIN 00354242) is BE (Mech) having 40 years of experience. He had been the Director & Chief Executive of Punjab Venture Capital Ltd. (PVCL), an Asset Management Company looking after the affairs of "Punjab Infotech Venture Fund" promoted by the Government of Punjab in association with Small Industries Development Bank of India (SIDBI). He has in-depth experience in the field of project identification, project implementation, financing, management, monitoring, etc. He had also been the Chairman-cum-Managing Director of Punjab National Fertilizers & Chemicals Ltd. and Executive Director of Punjab State Leather Development Corporation Ltd., another State Government organization.

Mr. Amit Mahajan, (DIN 00038593), is B. Sc (Economics) from University of Pennsylvania and had also worked for 1 year as Financial Analyst on Wall street. He is associated with the Company since 1996 and was appointed as Director (Commercial) in 1997. He is currently looking after commercial matters including procurement and marketing.

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 four Committees, namely Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on the business needs.

TERMS OF REFERENCE AND OTHER DETAILS OF BOARD COMMITTEES

AUDIT COMMITTEE

Composition of Committee

Mr. Ramesh Kumar Bhandari (Chairman of the Committee)	Independent Director
Mr. Madan Mohan Puri	Independent Director
Mr. Amit Mahajan	Whole-time Director

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The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee of the Company has such powers as are detailed under Section 177 of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement. 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.

Role of Audit Committee, Inter alia, Includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the company.
3. Approving payment to statutory auditors, including cost auditors, for any other services rendered by them.
4. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' 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;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by the management;
 - iv) Significant adjustments made in financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions; and
 - vii) Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Monitoring and reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertaking or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.
13. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
14. 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.
15. Discussion with internal auditors of any significant findings and follow-up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into 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.

17. 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.
18. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
20. Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
21. Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.
22. Reviewing the following information:
 - i) The Management Discussion and Analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating to internal control weaknesses; and Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor/Internal auditor(s).

Meeting details

During the year under review, the Audit Committee met four times on May 31, 2014, August 12, 2014, November 10, 2014 and February 13, 2015 respectively. The attendance at the Audit Committee meetings were:

MEMBERS	NO OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. R. K. Bhandari	4	4
Mr. M. M. Puri	4	4
Mr. Amit Mahajan	4	4

NOMINATION & REMUNERATION COMMITTEE

Composition of Committee

Mr. M.M. Puri (Chairman of the Committee)	Independent Director
Mrs. Seema Mahajan	Independent Director
Mr. Amit Mahajan	Whole-time Director

The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board of Directors reconstituted the Nomination and Remuneration Committee of the Company w.e.f. February 13, 2015.

Terms of Reference of the Committee, Inter alia, Includes the following:

1. Identification of persons qualified to be the directors and in senior management in accordance with the criteria laid down.
2. Recommend to the Board appointment and removal of the directors apart from the nominee directors as proposed by the Government of Punjab and in the Senior Management.
3. Evaluation of every director's performance.
4. Formulation of criteria for determining qualifications, positive attributes and independence of a director.
5. Recommendation of Remuneration policy for the directors, KMP and other employees.
6. 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 includes the following:

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;

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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/ reappointed;
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 Agreement 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 service of an Executive Director as an employee of the Company subject to the provision 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 & Remuneration Committee met one time on February 13, 2015. The attendance at the Committee Meeting was -

MEMBERS	NO OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. M. M. Puri	1	1
Mrs. Seema Mahajan	1	1
Mr. Amit Mahajan	1	1

REMUNERATION POLICY

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure E. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board and other Individual Directors.

The Remuneration Policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis. The Board/Remuneration Committee within the ceiling fixed by the shareholders decides the remuneration of the Directors.

A) Managing Director & Whole-time Directors

The remuneration paid to the Managing Director and Whole-time Directors is subject to the provisions of Section 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and in accordance with the terms of their respective appointment approved by the Shareholders of the Company. Their remuneration consists of salary, company's contribution to provident fund & gratuity, house rent allowance/rent free accommodation, medical reimbursement, leave travel concession, club fees, personal accident insurance, books, magazines & periodicals, telephone and car and other perquisite and allowances in accordance with Company's Rules, as applicable from time to time.

The Managing Director and Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The appointment of Managing Director and Whole-time director is for a period of 5 years. No notice period has been specifically provided for the appointment of Managing/Whole-time Director(s).

Presently, the Company does not have a scheme for grant of stock options either to the Whole-time Directors or employees.

B) Non-Executive Directors

The Non-Executive Directors are not paid any compensation except sitting fees for attending the Board and other Committee Meetings.

DETAILS OF REMUNERATION TO DIRECTORS

The details of the remuneration (excluding contribution to gratuity fund and provision for leave encashment but including perquisite/allowances and contribution to the Provident Fund) and sitting fees paid to the Non-Executive Directors during the year ended March 31, 2015 are as under -

Name & Designation	Sitting Fees	Salary	Cont. to PF	Other P & A	Performance linked Incentives	Total	Stock Option
Mr. R. K. Bhandari Chairman	0.70	-	-	-	-	0.70	-
Mr. M.M.Puri Director	0.65	-	-	-	-	0.65	-
Mrs. Seema Mahajan Director	-	-	-	-	-	-	-
Mr. R.C.Mahajan MD	-	18.00	-	1.17	-	19.17	-
Mr. Amit Mahajan Director(Com.)	-	10.80	-	0.62	-	11.42	-
Mr. Amit Mahajan Director(Oper.)	-	9.90	-	-	-	9.90	-

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Composition of Committee

Mrs. Seema Mahajan (Chairman of the Committee)	Independent Director
Mr. Amit Mahajan	Whole-time Director
Mr. Amit Mahajan	Whole-time Director

The Stakeholders' Relationship Committee was reconstituted by the Board on February 13, 2015. The composition and terms of reference of the the Stakeholders' Relationship Committee meet with the provisions of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and Clause 49 of the Listing Agreement.

During the year under review nil (previous period nil) complaints were received. Normally all complaints/queries are disposed off within one week of the receipt. The Company had no complaints pending at the close of the year under review.

Terms of Reference of the Committee, inter alia, includes the following:

- (1) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (2) Redressal of shareholders and investor complaints/ grievances e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.;
- (3) To approve, register, refuse to register transfer / transmission of shares and other securities ;
- (4) To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
- (5) To authorise affixation of common seal of the Company;
- (6) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- (7) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- (8) To dematerialize or rematerialize the issued shares;
- (9) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Meeting details

During the year under review, the Stakeholders' Relationship Committee met one time on February 27, 2015. The attendance at the Committee meeting was -

MEMBERS	NO OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mrs. Seema Mahajan	1	1
Mr. Amit Mahajan	1	1
Mr. Amit Mahajan	1	1

RISK MANAGEMENT COMMITTEE
Composition of the Committee

Mr. R.C. Mahajan (Chairman of the Committee)	Managing Director
Mr. Amit Mahajan	Whole-time Director
Mr. Amit Mahajan	Whole-time Director

The Risk Management Committee was constituted by the Board on February 13, 2015 adhering to the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of Reference of the Risk Management Committee includes the following:

1. Understand the relationship between the various risks, so as to assess the risks at the entity level.
2. Understand the changes in the risks with a change in the environment.
3. Continue the risk management process of identification, assessment, mitigation and monitoring.
4. Bring about risk awareness in the company and, if required, form specific sub-committee for risks or areas requiring specific attention.
5. Ensure implementation of risk measures.
6. If required, the committee may engage external professionals in order to complete the risk management process.
7. Make a presentation/ note to the Board, regarding risk management as and when necessary.

Meeting details

During the year under review, the Risk Management Committee met one time on March 20, 2015. The attendance at the Committee meeting was -

MEMBERS	NO OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. R.C. Mahajan	1	1
Mr. Amit Mahajan	1	1
Mr. Amit Mahajan	1	1

RISK MANAGEMENT POLICY

The Company's Risk Management Policy is annexed as Annexure F. The same is also placed at the website of the Company, www.srfootwears.com.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

GENERAL BODY MEETINGS

Annual General Meetings

The date, time and venue of Annual General Meetings held during the last three years, and the special resolution(s) passed thereat, are as follows:

Year	Date	Time	Venue	Special Resolution Passed
2013-14	29 th September, 2014	9:15 A.M.	F-110, Ind. Area, Phase VII, Mohali, Punjab	Yes
2012-13	27 th September, 2013	9:15 A.M.	F-110, Ind. Area, Phase VII, Mohali, Punjab	Yes
2011-12	28 th February, 2013	9:15 A.M.	F-110, Ind. Area, Phase VII, Mohali, Punjab	Yes

Extra-Ordinary General Meeting

During the year, an Extra-Ordinary General Meeting of the Company was held on 25th March, 2015 at 9:30 A.M. at the Registered Office of the Company at F-110, Industrial Area, Phase VII, Mohali to take the consent of the Members on following items:

Item no. 1.

To obtain consent of the shareholders by Special Resolution for borrowing upto Rs. 100 Crores (Rupees One Hundred Crores) under Section 180 (1)(c) of the Companies Act, 2013 and authorise the Board to exercise such power.

Item no. 2.

To obtain consent of the shareholders by Special Resolution under Section 180 (1)(a) of the Companies Act, 2013 for creation of charge, mortgage and hypothecation either by way of 1st, 2nd or subsequent charge over the movable or immovable properties of the company, present and future, in

respect of borrowings of an aggregate not exceeding Rs. 100 Crores (Rupees One Hundred Crores only).

Item no. 3.

To obtain consent of the shareholders by Special Resolution under Section 188 of the Companies Act, 2013 for the related party transactions.

Item no. 4.

Ordinary Resolution to approve the payment of remuneration of Rs. 25,000 (Twenty Five Thousand only) and Rs. 10,000 (Rupees Ten Thousand only) as fees for filing XBRL to MCA inclusive of all expenses to M/s K. K. Sinha, who are appointed as Cost Auditors.

Item no. 5.

To obtain consent of the shareholders by Special Resolution under Section 196, 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, for revision in the remuneration of Mr. Ramash Chander Mahajan (DIN 00038661) as Managing Director of the Company.

Item no. 6.

To obtain consent of the shareholders by Special Resolution under Section 196, 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, for revision in the remuneration of Mr. Amit Mahajan (DIN 00038593) as Whole-Time Director of the Company.

Item no. 7.

To obtain consent of the shareholders by Special Resolution under Section 196, 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, for revision in the remuneration of Mr. Amit Mahajan (DIN 00038627) as Whole-Time Director of the Company.

The Board had appointed Mr. Ramesh Bhatia, Practising Company Secretary, Chandigarh as a Scrutinizer to conduct the Extra-Ordinary General Meeting voting process in a fair and transparent manner.

Special Resolution(s) through Postal Ballot

During the year under review, no resolution was passed through postal ballot.

DISCLOSURES

I) Related Party Transactions

The details of the materially significant related party transactions have been annexed to the Balance Sheet given elsewhere in this report. The details of the material individual transaction with related parties are periodically placed before the Audit Committee/Board together with the Management's justification for the same.

There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large.

II) Compliances by the Company

The Company continued to comply with the requirements of the Listing Agreement, SEBI and other Statutory Authorities. During the last three years, there has not been any non-compliance, penalties and strictures imposed on the Company for any matter relating to the capital markets by any of the Stock Exchanges, SEBI or any other statutory authorities.

III) Vigil Mechanism/ Whistle Blower Policy

The Company's portal provides a very effective means for the employees to communicate freely with the Managing Director. The Company's employees can also meet directly with the Managing Director and express their grievances /concerns. There are safeguards to ensure that all employees grievances /concerns receive due consideration.

The Code of Conduct for Board of Directors and Senior Management states that Directors and Senior Managers of the Company shall endeavor to promote ethical behavior and to provide an opportunity to employees to report violations of laws, rules, regulations or codes of conduct and policy directives adopted by the Company to the appropriate personnel without fear of retaliation of any kind for reports made by the employee in good faith. No employee has been denied access to the Audit Committee.

**S. R. Industries
Limited**
Annual Report 2014-15

MEANS OF COMMUNICATION

i) Quarterly Results

The quarterly, half yearly and annual results of the Company are published in accordance with the requirements of the Listing Agreement.

ii) Newspaper in which results are normally published

Financial Express – All India Editions and Spokesmen

iii) Any website, where displayed

These results are also displayed on the Company's website, www.srfootwears.com.

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

The relevant information is displayed in the Company's website.

As the financial results of the Company are published in the newspaper and also displayed on the Company's website, a separate half yearly declaration of the financial performance of the Company is not sent to each shareholders.

GENERAL SHAREHOLDERS' INFORMATION

Company Registration Details

The Company is registered in the State of Punjab, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29246PB1989PLC009531.

Annual General Meeting

(Day, Date, Time and Venue)

Wednesday, the 30th Day of September, 2015 at 11.00 A.M. at the Registered Office of the Company i.e. F-110, Industrial Area, Phase VII, Moheli (Punjab).

Financial Year

April 1 to March 31

Financial Year (tentative)

Results for the quarter ending

June 30, 2015	-	Second week of August, 2015
September 30, 2015	-	Second week of November, 2015
December 31, 2015	-	Second week of February, 2016
March 31, 2016	-	Fourth week of May, 2016

Date of Book Closure

Friday, the 25th day of September, 2015 to Wednesday, the 30th day of September, 2015 (both days inclusive).

Dividend Payment Date

No dividend has been recommended.

Listing on Stock Exchange(s)

The equity shares of the Company are listed at the Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The approval for delisting of Company's shares from The Calcutta Stock Exchange Association Ltd. is awaited.

Stock Code

Bombay Stock Exchange Ltd. (BSE) 513515.

Payment of Listing Fees

Annual listing fees for the year 2015-16 has been paid by the Company to BSE.

Market Price Data and Stock Performance

Monthly high and low price of equity shares of the Company at BSE & the stock performance in comparison to broad based Indices BSE Sensex during the year ended March 31, 2015 is as under –

MONTH	HIGH PRICE	LOW PRICE	NO. OF SHARES
April-2014	5.24	4.07	607215
May-2014	5.8	4.29	510280
June-2014	6.04	4.31	463273
July-2014	6.13	4.46	660920
August-2014	8.39	4.39	837690
September-2014	7.48	4.7	752418
October-2014	8.1	5.8	536430
November-2014	7.3	5.25	178711
December-2014	7.38	4.5	53947
January-2015	6.48	4.5	151118
February-2015	8.11	4.35	281141
March-2015	5.89	3.77	140224

Registrar & Share Transfer Agent (RTA)

M/s Link Intime India Pvt. Ltd.

44, Community Centre 2nd Floor, Naraina Industrial Area Phase – I, Near PVR, Naraina, New Delhi 110 028.

Tel : 011-41410592-94, Fax : 011-41410591 E-mail : delhi@linkintime.co.in

Compliance Officer

Ms. Chetna Anand, Company Secretary cum Compliance Officer

Tel : 0172-4802888 Fax : 0172-4802888 E-mail

chetna@srfootwears.com

Share Transfer System

The transfer of shares in physical form is done by the RTA - 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 dematerialised mode are also placed before the stakeholder's Relationship Committee.

Distribution of Shareholding (as on March 31, 2015)

CATEGORY (SHARES)	HOLDERS	%OF TOTAL	SHARES	%OF TOTAL
Up to 500	8739	87.68	1716799	12.34
501-1000	663	8.84	589258	4.23
1001-5000	443	4.45	1075673	7.73
5001-10000	49	0.49	363257	2.81
Above 10000	84	0.84	10171013	73.09
TOTAL	9976	100	13916000	100

Shareholding pattern (as on March 31, 2015)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	TOTAL NO. OF SHARES	ASA %AGE OF (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
	Indian	5689265	40.88
	Foreign	-	-
	Person acting in concert	-	-
	Sub-Total (A)	5689265	40.88
(B)	Non-Promoter Holding		
	Institutional Investors	-	-
	Mutual Funds & UTI	-	-
	Banks, Financial Institutions, Insurance Companies	-	-
	FIIa	-	-
	Sub-Total (B)	-	-
(C)	Others		
	Private Corp. Bodies	1679382	12.07
	Indian Public	6484557	48.60
	NRIs/OCBs	62796	0.45
	Any Other (Pl. Specify)	-	-
	Sub-Total (C)	8226735	59.12
	Grand Total (A+B+C)	13916000	100

* The sum of foreign promoters, FIIs, NRIs/OCBs, foreign banks, foreign national and GDR and ADR holding in the Company is 82796 shares.

Dematerialisation of share and liquidity

MODE OF HOLDING	PERCENTAGE
NSDL	74.91
CDSL	12.31
Physical	12.78
TOTAL	100

The ISIN No. of the Company is INE329C01011. Up to March 31, 2015, 12137590 (87.22%) equity shares were dematerialised in the two Depositories - NSDL and CDSL.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

The company has no Outstanding GDR/ADRs/Warrants or any Convertible Instruments as on March 31, 2015.

Plant Location

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

Address for Correspondence

S R Industries Ltd.
F - 110, Industrial Area, Phase VII, Mohali - 160055
Tel. 0172-4602888

SECRETARIAL AUDIT REPORT

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-18/2002 dated December 31, 2002 reconciling the shares dematerialised in both the Depositories - NSDL & CDSL and physical form with the total issued/paid-up capital of the Company for every quarter is placed before the Board of Directors and also submitted to BSE.

COMPLIANCE CERTIFICATE UNDER CLAUSE 49 OF LISTING AGREEMENT

Certificate from Mr. Sanjiv Kumar Goel, Practising Company Secretary, Chandigarh, confirming with conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, is attached to this report.

ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement is provided below.

- (i) **Audit Qualifications:** The Company's financial statement for the financial year ending 31st March, 2015 does not contain any audit qualification.
- (ii) **Separate posts of Chairman & Managing Director-** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
- (iii) **Reporting of Internal Auditor-** The Internal Auditor reports to Audit Committee.

CEO/CFO CERTIFICATION

A certification from the CEO and the CFO in terms of the Listing Agreement was placed before the Board at its meeting held on 12th August, 2015 to approve the Audited Accounts for the year ended March 31, 2015.

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

A Certificate from Mr. R C Mahajan, (DIN 00038681), Managing Director confirming the compliance with the Code of Conduct for the year 2014-15 by all the Board members and senior management personnel as stipulated under Clause 49 of the Listing agreement is provided below.

For and on behalf of the Board
R.K.BHANDARI
Chairman

Place: Mohali
Date : August 12, 2015

CEO/CFD CERTIFICATE UNDER CLAUSE 49(IX)

To,
The Board of Directors
S R Industries Limited

1. We have reviewed financial statements and the cash flow statements of S R Industries Limited for the financial year ended 31st March, 2015 and 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 Company'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 Company 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 Company's internal control systems 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 there are no significant changes in accounting policies during the year; and
- (iii) that there are no instances of significant fraud of which we have become aware.

(R. C. Mahajan)
Managing Director

(Amit Mahajan)
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

**TO
THE MEMBERS OF
S R INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by S R INDUSTRIES LIMITED ("the Company"), for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

Date: 12.08.2015
Place: Chandigarh

Sanjiv Kumar Goel
CP 1248

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., Mumbai, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ending March 31, 2015.

For S.R. Industries Limited

Place : Mohali
Date : 12.08.2015

(R.C.Mahajan)
Managing Director

DIRECTORS' PROFILE

Mr. R. K. Bhandari (DIN 00354242) is BE (Mech) having 40 years of experience. He had been the Director & Chief Executive of Panjab Vantura Capital Ltd. (PVCL), an Asset Management Company looking after the affairs of "Punjab Infotech Vantura Fund" promoted by the Government of Punjab in association with Small Industries Development Bank of India (SIDBI). He has in-depth experience in the field of project identification, project implementation, financing, management, monitoring, etc. He had also been the Chairman-cum-Managing Director of Punjab National Fertilizers & Chemicals Ltd. and Executive Director of Punjab State Laathar Development Corporation Ltd., another State Government organization.

He is not a Chairman/Member of the Board of Directors of any other company (excluding private companies, foreign companies and companies registered under Section 25 of Companies Act, 1956/Section 8 of Companies Act, 2013).

He holds nil shares of the Company in his name as on March 31, 2015.

Mr. R. C. Mahajan (DIN 00038661) is a Mechanical Engineer having more than 40 years of experience in industry in all areas including technical, financial, commercial and administration. Before promoting this company,

he was the Executive Director of Steel Strips Limited and then the Managing Director of Atma Tubes Products Ltd. Presently, he is the Managing Director of the Company and is devoting full time in day to day affairs of the Company.

He is not a Chairman/Member of the Board of Directors of any other company (excluding private companies, foreign companies and companies registered under Section 25 of Companies Act, 1956/Section 6 of Companies Act, 2013).

He holds 5,10,800 equity shares of the Company in his name as on March 31, 2015.

Mr. M. M. Puri (DIN 01711466) was the former Vice-Chancellor of Panjab University. He is currently Professor Emeritus in the Department. He was the founder director of the centre for geopolitics. He is renowned for his work in the area of international relations and geo-politics.

He is not a Chairman/Member of the Board of Directors of any other company (excluding private companies, foreign companies and companies registered under Section 25 of Companies Act, 1956/Section 8 of Companies Act, 2013).

He holds nil shares of the Company in his name as on March 31, 2015.

Mrs. Seema Mahajan (DIN 06976146), aged 47 years is a business woman. She is running family business and actively participate in taking all the decisions of business. She possess vast and rich experience in handling management and affairs of manufacturing company.

She is not a Chairman/Member of the Board of Directors of any other company (excluding private companies, foreign companies and companies registered under Section 25 of Companies Act, 1956/Section 6 of Companies Act, 2013).

She holds nil shares of the Company in her name as on March 31, 2015.

Mr. Amit Mahajan, (DIN 00038593), is B. Sc (Economics) from University of Pennsylvania and had also worked for 1 year as Financial Analyst on Wall street. He is associated with the Company since 1996 and was appointed as Director (Commercial) in 1997. He is currently looking after commercial matters including procurement and marketing.

He is not a Chairman/Member of the Board of Directors of any other company (excluding private companies, foreign companies and companies registered under Section 25 of Companies Act, 1956/Section 8 of Companies Act, 2013).

He holds 25,92,390 equity shares of the Company in his name as on March 31, 2015.

Mr. Amit Mahajan, (DIN 00038827), is a B.E. and has experience in production quality control, procurement and factory administration and is involved in the production planning, production programme and development and designing of new and innovative products to meet the international demand. He is associated with the Company since 1995 as Vice President Operations and subsequently inducted into Board of Directors as Director (Operations). He is currently looking after the manufacturing operations of the company.

He is not a Chairman/Member of the Board of Directors of any other company (excluding private companies, foreign companies and companies registered under Section 25 of Companies Act, 1956/Section 8 of Companies Act, 2013).

He holds 4,11,450 equity shares of the Company in his name as on March 31, 2015.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO. ADC-2

(Pursuant to clause (h) of sub-section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules, 2014

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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship: Waltz Retail and Marketing

(b) Nature of contracts/arrangements/transactions: Sale of footwears

(c) Duration of the contracts / arrangements/transactions: Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: For Cash

(e) Justification for entering into such contracts or arrangements or transactions: To enhance the sales of the Company through the network of Waltz Retail and Marketing

(f) Date(s) of approval by the Board: 13.02.2015

(g) Amount paid as advances, if any: Nil

(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: 25.03.2015

2. Details of material contracts or arrangements or transactions at arm's length basis

(e) Name(s) of the related party and nature of relationship —

(b) Nature of contracts/arrangements/transactions —

(c) Duration of the contracts / arrangements/transactions —

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: (e) Date(s) of approval by the Board, if any: —

(f) Amount paid as advances, if any:

ANNEXURE 'B' TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[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 LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by S R INDUSTRIES LIMITED. 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 LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2015 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 the Company, for the financial year ended on 31 March 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (Registrars 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:

- (a) There is delay in filling of Form CHG 1 with respect creation of charge. due to oversightness.

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.

Date: 30/05/2015
Place: Chandigarh

RPS Khurana
Company Secretary
ACS No. 12333
CP No. 5013

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Dutgo 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	2014-15	2013-14
1	ELECTRICITY		
	Purchased Units (in Lacs)	16.61	16.08
	Total Amount (Rs/Lacs)	119.46	122.25
	Average Rate/Unit (Rs.)	7.19	7.60
2	OWN GENERATION		
	Through Diesel Generator		
	Unit (in Lacs)	0.40	0.40
	Unit/Ltr. of Diesel Oil	3.11	3.11
	Average Cost/Unit(Rs.)	17.72	15.97
3	WOOD		
	Wood (M.T.)	1030.59	1059.95
	Total Amount (Rs/Lacs)	43.28	44.39
	Average Rate (Rs/M.T.)	4.20	4.18

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2014-15	2013-14
	Footwear (Milion Pairs)	1.00	1.06
	Electricity (Kwh/Pairs)	1.66	1.52
	Diesel (Ltr./Pairs)	0.01	0.01
	Pet Coke/ Wood (M.T./Pairs)	0.001	0.001

II. 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 Adhesives in the manufacturing of Footwear.

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 & O

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.

III. FDREIGN EXCHANGE EARNINGS AND DUTGD

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	2014-15	(Rs./lacs) 2013-14
1	Foreign Exchange earned (including deemed exports)	34.57	0
2	Foreign exchange used	154.02	192.66
3	Net Foreign Exchange earned	(119.45)	(192.66)

For and on behalf of Board

Date: 12.08.2015
Place: Mohali

(R. K Bhandari)
Chairman

**ANNEXURE 'O' TO THE DIRECTORS' REPORT
FORM NO. MGT-9
Extract of Annual Return as on the financial year ended
on March 31st, 2015**

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

> REGISTRATIDN AND DOTHER 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
Address of the Registered office and contact details	F-110, Industrial area, Phase VII, Mohali (Punjab)
Whether listed company	Yes / No
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-110026 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 Footwears	100%

>PARTICULARS OF HOLDING, SUBSIDIARY ANO ASSOCIATE COMPANIES

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

> SHARE HDLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

1. Category-wise Share Holding	As per Annexure A
2. Shareholding of Promoters	As per Annexure B
3. Change in Promoters' Shareholding	As per Annexure C
4. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs)	As per Annexure D
5. Shareholding of Directors and Key Managerial Personnel	As per Annexure E

> 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 (01.04.2014)				
i) Principal Amount	16.18	5.67	-	23.65
ii) Interest due but not paid	0.62	-	-	0.62
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	18.80	5.67	-	24.47
Change in Indebtedness during the financial year				
Addition	-	1.40	-	1.40
Reduction	3.14	1.52	-	4.66
Exchange Difference	-	-	-	-
Net Change	-3.14	-0.12	-	-3.26
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	15.66	5.55	-	21.21
ii) Interest due but not paid	0.22	-	-	0.22
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	15.88	5.55	-	21.43

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Annexure F
ii) Remuneration to other directors	As per Annexure G
iii) Remuneration to Key Managerial Personnel other than MD/Manager/Whole-time director	As per Annexure H

VII. Penalties/Punishments/Compounding of Differences

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

ANNEXURE A

IV SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
APROMOTERS									
(1) Indian									
a) Individual /HUF	3579650	0	3579650	26.44	4165980	0	4165980	29.94	3.5
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Body Corporates	1523275	0	1523275	10.95	1523275	0	1523275	10.95	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(1)	5203125	0	5203125	37.39	5689265	0	5689265	40.88	3.5
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(2)	5203125	0	5203125	37.39	5689265	0	5689265	40.88	3.5
TOTAL SHARE HOLDING OF PROMOTER (A)=(A)(1)+(A)(2)									
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	0	0	0	0	0	0	0	0	0
2 Non-institutions									
a) Body Corporates									
i) Indian	2401268	248000	2649268	19.04	1431382	248000	1679382	12.07	-8.97
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	2084776	1546010	3630786	25.08	2011624	1530410	3542034	25.45	-0.63
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2365215	0	2365215	17.00	2942523	0	2942523	21.14	4.14
c) Others	-	-	-	-	-	-	-	-	-
Non-Res.									
Indians	68606	0	68606	0.49	62796	0	62796	0.45	-0.04
SUB TOTAL (B)(2)	6919865	1793010	8712875	62.61	6448325	1532890	8226735	59.11	-3.5
TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2)	6919865	1793010	8712875	62.61	6448325	1532890	8226735	59.11	-3.5
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	12122990	1793010	13916000	100	12137590	1532890	13916000	100	0

ANNEXURE B

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as

percentage of Total Equity)

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% 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	Ramesh Chander Mahajan	510800	3.67	3.66	510800	3.67	3.66	-
2	Suman Mahajan	185100	1.33	1.01	185100	1.33	1.01	-
3	Anuj Mahajan	406250	2.92	0.74	406250	2.92	0.74	-
4	Amit Mahajan	2106250	15.14	5.34	2582390	18.83	5.34	3.49
5	Munish Mahajan	10000	0.07	0.00	10000	0.07	0.00	-
6	RC Mahajan (Karta)	50000	0.36	0.00	50000	0.36	0.00	-
7	Amit Mahajan	411450	2.95	1.83	411450	2.96	1.83	-
8	Pride Properties Pvt Ltd	312675	2.25	1.51	312675	2.25	1.51	-
9	Universal Cyber Infoway Pvt Ltd	951100	6.83	0.00	951100	6.83	0.00	-
10	Susang Mac Pvt Ltd	259500	1.86	1.86	259500	1.86	1.86	-
TOTAL		5203125	37.39	15.95	5689265	40.88	15.95	3.49

ANNEXURE C

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

iii) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative shareholding during the year (01.04.2014 - 31.03.2015)	
		No. of Shares	% of total Shares of Company	No. of Shares	% of total Shares of Company
1.	At the beginning of the year	5203125	37.39	5203125	37.39
	Mr. Amit Mahajan 26.03.2014 due to Market Purchase	486140	3.49	5689265	40.88
	At the end of the year	5689265	40.88		

ANNEXURE D

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative shareholding during the year (01.04.2014 - 31.03.2015)	
		No. of Shares	% of total Shares of Company	No. of Shares	% of total Shares of Company
1	Meenakshi Sud*	332536	2.3896	536196	3.6531
2	Karnal M Jagwani	249128	1.7902	332536	2.3696
3	Foujdar Avinash Sudhakar	207701	1.4925	264445	1.9003
4	Jatinder Kumar Mittal	167809	1.2059	207701	1.4925
5	Urmil Sood	147579	1.0605	167809	1.2059
6	Jitender Mittal	99000	0.7114	147579	1.0605
7	Duby Rex*	69143	0.6406	99000	0.7114
8	Kulvinder Singh	90635	0.6513	69143	0.6621
9	Veenak Jagwani	75000	0.5389	90635	0.6513
10	Kamal Mavji Visaria			75000	0.5389

*Not in the List of Top 10 Shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2015.

ANNEXURE E

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

v) Shareholding of Directors and Key Managerial Personnel

Sr. Name No.	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
	No. of shares at the begin (1.4.14)	% of total shares of the Company				No. of Shares	% of total share of the Company
1 Mr. R. C. Mahajan	510800	3.67	-	-	-	510800	3.67
2 Mr. Amit Mahajan	411450	2.96	-	-	-	411450	2.96
3 Mr. Amit Mahajan	2106250	15.14	26.03.14	486140	Market Purchase	2592390	18.63
4 Mr. R. K. Bhandari	-	-	-	-	-	-	-
5 Mr. M. M. Puri	-	-	-	-	-	-	-
6 Mrs. Seema Mahajan	-	-	-	-	-	-	-

ANNEXURE F

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars	Name of MD/ of Remuneration WTD/Manager			Total Amount
		R. C. Mahajan	Amit Mahajan Director (Operative)	Amit Mahajan Director (Comm.)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18.00	9.90	10.80	38.70
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1.17	-	0.62	1.79
	(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)	19.17	9.90	11.42	40.49

Ceiling as per the Act As per Schedule V of the Companies act, 2013

ANNEXURE G

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other Directors

Sr. No.	Particulars Remuneration	Name of Directors			Total Amount
		R. K. Bhandari	M.M. Puri	Seema Mahajan	
1.	Independent Directors				
	a) Fees for attending board committee meetings	0.7	0.65	-	1.35
	b) Commission	-	-	-	-
	c) others	-	-	-	-
	TOTAL (1)	0.7	0.65	-	1.35
2.	Other Non-Executive Directors				
	a) Fees for attending board committee meetings	-	-	-	-
	b) Commission	-	-	-	-
	c) others	-	-	-	-
	TOTAL (2)	-	-	-	-
	TOTAL B=(1+2)	0.7	0.65	-	1.35
	Total Managerial Remuneration	-	-	-	41.83
	Overall ceiling as per the Act	One sitting fees is paid for attending Board and Committee Meetings			

ANNEXURE H

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD

Sr. No.	Particulars Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2.08	-	2.08
	(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	2.08	-	2.08

ANNEXURE 'E' TO THE DIRECTORS' REPORT

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 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 the 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, and
- (v) Such other Officers 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 Chairmen 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 INTERESTS

- 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 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 any time 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.
- Review 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 and 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of 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 are 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 has 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 his 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. Seperate 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 the 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 (except for Nominee Directors), 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:

- 1.1. Degree holder in relevant disciplines,
- 1.2. Experience of management in a diverse organization,
- 1.3. Excellent interpersonal, communication and representational skills,
- 1.4. Demonstrable leadership skills
- 1.5. Commitment to high standards of ethics, personal integrity and probity,
- 1.6. Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace,
- 1.7. 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 Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role 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, 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 & Strategy Formulation
- Objective evaluation of Board's performance
- Review of integrity of financial information & 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 Article 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 meetings of Board & Committees
- Attendance of 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. Stakeholder's Relationship Committee

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

Overall Rating

1. Compliance with Articles of Association, Companies Act & other laws
2. Alliance with ethical standards & Code of Conduct of the Company
3. Committee's accomplishments w.r.t. performance objectives
4. Adherence to Articles of Association, Companies Act and other applicable laws
5. Redressal of complaints & grievances
6. Coordination with other committees and Board of Directors
7. Fulfillment of roles & responsibilities
8. 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 at a meeting of the Nomination and Remuneration Committee and a subsequent approval by the Board of directors in their Board Meeting.

DISCLOSURE

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various committees of

Directors and individual directors' performance will be made by the Board of Directors in the Board's 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- 1

Personal Specifications for Directors:

1. **Qualifications**
 - Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
 - Recognised specialist
2. **Experience**
 - Experience of management in a diverse organization
 - Experience in accounting and finance, administration, corporate and strategic planning or fund management
 - Demonstrable ability to work effectively with a Board of Directors
3. **Skills**
 - Excellent interpersonal, communication and representational skills
 - Demonstrable leadership skills
 - Extensive team building and management skills
 - Strong influencing and negotiating skills
 - Having continuous professional development to refresh knowledge and skills
4. **Abilities and Attributes**
 - Commitment to high standards of ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace

Political inclinations and opinions.

**"Mechanism for Performance Evaluation of Directors"
(Legal Framework)**

In the endeavor to safeguard the interest of public at large, the Companies Act, 2013 ('the Act') provides that the performance of the Board of Directors of Listed Companies and prescribed class of companies must be reviewed regularly against appropriate measures. For this purpose, the Nomination and Remuneration Committee of a Company has been obliged under Section 178 of the Act to formulate a draft policy for recommending it to the Board of Directors of the Company, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Based on such performance evaluation, remuneration of directors, KMPs and employees shall be determined. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the Directors and will ensure that they exercise their powers in a rational manner. Relevant extracts of Section 178 of the Act reads as:

Section 178 of the Companies Act, 2013

- (1) The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors:
Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- (2) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (3) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (4) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run

the company successfully;

- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- Provided that such policy shall be disclosed in the Board's report.

- (5) The Board of Directors of a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.
- (6) The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.
- (7) The chairperson of each of the committees constituted under this section or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.
- (8) In case of any contravention of the provisions of section 177 and this section, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both:

Provided that non-consideration of resolution of any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of this section.

Explanation.—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.

As per Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors of following classes of Companies shall constitute a Nomination and Remuneration Committee:

Committees of the Board

The Board of directors of every listed companies and the following classes of companies shall constitute an Audit Committee and a Nomination and Remuneration Committee of the Board-

- (i) all public companies with a paid up capital of ten crore rupees or more;
- (ii) all public companies having turnover of one hundred crore rupees or more;
- (iii) all public companies, having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more.

Explanation. - The paid up share capital or turnover or outstanding loans, or borrowings or debentures or deposits, as the case may be, as existing on the date of last audited Financial Statements shall be taken into account for the purposes of this rule.

The Act, under Clause VIII of schedule IV, casts an obligation on the part of the Board of Directors for evaluating the performance of independent directors. All the Directors on the Board of a Company, except the independent director whose performance is being evaluated, will assess the performance of independent director. Accordingly, a report of performance evaluation of each independent director of the Company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

SCHEDULE IV

[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by Independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) 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;
- (6) 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) 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;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent directors shall :

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committees of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has 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;

- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 188 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) 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;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board

as a whole;

- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**ANNEXURE 'F' TO THE DIRECTORS' REPORT
RISK MANAGEMENT POLICY**

BACKGROUND

Pursuant to Clause 49 of the Equity listing agreement and SEBI Circular No. CIR/CFD/POLICY/CELL/2/2014 dated 17 April, 2014 and subsequently amended by Circular No. CIR/CFD/POLICY/CELL/7/2014 on 15 September, 2014, every listed company, except the companies having share capital not exceeding Rs. 10 Crore and Net Worth not exceeding of Rs. 25 Crore as on the last date of previous financial year and the companies listed exclusively on the SME and SME-ITP platforms, shall constitute Risk Management Committee for risk assessment and minimization thereof.

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 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 for 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 amended Clause 49 of the Listing Agreement (w.r.f 1st October, 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

IDENTIFICATION OF RISKS

Risk can minimize only after the identification, or we can say unless we identified 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 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 be further categorized as

Minimal	Moderate	Extreme
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Priority should be given to the extreme risks, which will be more dangerous and the company will have short time to overcome/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 Risk Management Committee. In extreme cases all the concerned department head will report immediately to any member of Risk Management Committee for further consideration of Audit Committee and Board of Directors. The Risk Management Committee constituted under this policy is defined in later part of the policy.

The Board of Directors will consider the risk reported by the Risk Management Committee and the Audit committee of the company. The management will take the necessary action on the reported risk and will do the best for minimization of the risks.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The risk management committee is constituted by the following official of the company:

1. Mr. R. C. Mahajan, Managing Director
2. Mr. Amit Mahajan, Director-Operational
3. Mr. Amit Mahajan, Director-Commercial

The Risk Management Committee or any members of the committee will consider the matter reported by the concerned department heads and the Risk Management Committee and their members can own identify the risks and will advice to the management to minimize risk.

The Risk Management Committee can meet any number of times for consideration and providing the corrective action of risks to the management.

APPLICATION

This policy applies to all 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 plan for the company.
2. The Board shall define the roles and responsibilities of the Risk Management Committee 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 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 monitor 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 agreement 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

1) Industry Structure and Developments

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 1980's, 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 USD 600 Million. The exodus of this industry from South Korea started in early 90s, due to increase in manufacturing costs, specifically, labour 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

The footwear sector is a very significant segment of the Leather Industry in India. Footwear is the engine of growth for the entire Indian leather industry and India is the second largest global manufacturer of footwear after China, accounting for 14% of global footwear production of 14.52 billion Pairs. India produces 2065 million pairs of Different Categories of Footwear (Leather Footwear: 909 Million pairs, Leather Shoe Uppers 100 million pairs and Non-leather footwear 1056 million pairs). India exports nearly 115 million pairs of footwear annually, but nearly 95% of its production goes towards meeting domestic demand. The major production centers in India are Chennai, Rainpet, Ambur in Tamil Nadu; Mumbai in Maharashtra; Kanpur, Agra and Faridabad in U.P.; Jalandhar in Punjab; Karnal, Bahadurgarh and Faridabad in Haryana, Delhi, Kolkata, Calicut and Ernakulam.

The Company has implemented Footwear manufacturing project in Una, Himachal Pradesh where the unit is entitled to Central Government subsidies such as excise duty exemption and tax concessions. The Company is engaged in Contract Manufacturing for reputed MNC Brands. Earlier, the requirements of these brand was being sourced in the form of CKD (Completely Knocked Down) kits from countries like China, Vietnam and Indonesia. In the past few years, the Company has created an integrated manufacturing facility which can serve the requirements of these international brands to a large extent. 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. The Company is also witnessing interest from foreign buyers and is exploring opportunities for exports which will give further boost to this 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.

iii) Segment-wise or product-wise performance

Presently, the Company has one product namely – Footweers. 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.

v) Risks and concerns

Macro-economic factors like subdued demand, political uncertainty, vagaries of monsoon and other natural calamities may affect the Company and industry at large.

No business is risk free. Proactive recognition of the risks, assessing their influence and initiating action to mitigate their impact becomes critical.

The Company has classified broad risk areas for its business – statutory compliances, economy, financial, government policies, market, operational, product related and technology.

With increasing competitive pressure, the challenge is to increase sales and the customer base, to successfully address changing customer preferences and to produce the right product at right time and at a competitive price. Technology is a critical area to be focused upon.

The challenges arising out of forex fluctuations could be cause of concern especially when the Company imports many of its requirements in the global market, or exports its production in global market.

The Company has not been significantly impacted by these factors due to its proper monitoring mechanism and proactive actions against anticipated hindrances.

vi) Internal control systems and their adequacy

The Company has established control system to ensure that –

- assets are adequately protected.
- transactions are authorised, recorded and reported correctly, and
- 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 2014-15 for the financial year increased to Rs. 5870.46 lacs as against Rs. 4807.37 lacs in 2013-14. The Company during the year sold 1.01 Million pairs footwear as against 1.13 million pairs footweers during the last year. The production during the financial year was 1.00 Million pairs footweers as against 1.06 million pairs footweers during previous year.

The duty drawback not received during the year was Rs. 6.06 lacs as against 6.08 lacs during the last year. Further rigorous monitoring of operating overhead that these remained under control.

Profit before depreciation, interest and taxation during financial year increased to Rs. 1102.89 lacs as compared to profit before depreciation, interest and taxation (PBDIT) of Rs. 837.18 lacs during last year. The depreciation for the year was at Rs.177.16 lacs as against Rs. 139.43 lacs during the last year. The financial expenses during the year 2014-15 increased from Rs. 688.29 lacs to Rs. 696.01 lacs.

The profit before tax during the year increased from Rs. 11.46 lacs to Rs. 166.81 lacs.

The Earning Per Share (EPS) during the year was Rs. 0.76 as compared to Rs.0.11 for last year. The diluted EPS of Rs. 0.76 was arrived at by conversion 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 profit after Tax of Rs. 105.36 lacs during the year as against Net Profit after Tax of Rs. 14.74 lacs during last year.

viii) Material development in human resources/Industrial relations front, including number of people employed.

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

Cautionary Statement – 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 materially from those expressed or implied therein.

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of S.R INDUSTRIES LTD., which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (The Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the Profit for the period ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on other Legal and Regulatory requirements.

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (3) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow

Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of The Act.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of The Act.

FOR KANSAL SINGLA & ASSOCIATES
Chartered Accountant

Place: Chandigarh
Date: May 8, 2015

sd/-
C.A. Surender Kumar
Partner
M.No.070405
FRN No. 03897N

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of S.R INDUSTRIES on the accounts of the Company for the period ended 31st March, 2015.

On the basis of such checks as we considered appropriate during the course of our audit, and according to the information and explanations given to us, we report that:

1. IN RESPECT OF ITS FIXED ASSETS:

- a. The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets on the basis of available information.
- b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

2. IN RESPECT OF INVENTORIES:

- a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. According to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records. However minor discrepancies noticed on verification between the physical stocks were properly adjusted in the consumption of stores.

3. IN RESPECT OF LOANS GIVEN:

According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 189 of The Act.

4. IN RESPECT OF INTERNAL CONTROL:

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system

5. IN RESPECT OF DEPOSIT FROM PUBLIC:

According to information and explanations given to us, the Company has not accepted any deposits from the public.

6. COST ACCOUNTING RECORDS:

We have reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act but are of the opinion that the prescribed accounts and records have been made and maintained. However we have not vouched the said records.

7. IN RESPECT OF STATUTORY DUES:

- (a) The Company is not regular in depositing undisputed statutory dues with the appropriate authorities such as Gratuity, ESI, EPF, TCS, TDS, Excise Duty, Service Tax and CST. However, as at 31st March 2015, there are no such dues outstanding for a period of more than six months from the date they became payable.
- (b) The following are disputed amounts outstanding, but were not paid by the Company as at 31st March 2015:

Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Forum where dispute is pending
Excise Duty	Excise Duty	258.70	CESTAT
Excise Duty	Excise Duty	723.00	CESTAT

- (c) As per information and explanations given to us, the company was not required to transfer any amount in Investor Education and Protection Fund.

8. LOSS MAKING COMPANY:

The Company has accumulated losses of Rs.2567.83 Lacs at the end of the financial year which is more than 50% of the net worth of the Company. Further, the Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

9. REPAYMENT OF DUES:

Based on our audit procedures and according to the information and explanations given to us, the Company has paid dues to banks with certain delays. The overdue amounts as at 31st March 2015 were Rs. 65.39 Lacs out of which Rs. 20.72 Lacs has since been paid.

10. GUARANTEE GIVEN:

As per the information and explanations given to us, we report that the company has not given guarantee for the loans taken by others from banks or financial institutions.

11. END -USE-OF BORROWING:

As per the information and explanations given to us, we report that the Company has not raised any term loans during the year.

12. FRAUDS:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the period under audit.

FOR KANSAL SINGLA & ASSOCIATES
Chartered Accountants

Place: Chandigarh
Date: May 8, 2015

sdl/
C.A. Surender Kumar
Partner
M.No.070405
FRN No. 03897N

**S. R. Industries
Limited**
Annual Report 2014-15

BALANCE SHEET AS AT MARCH 31, 2015

S.N.	PARTICULARS	NOTE No.	AS AT 31.03.2015 (Rs.)	AS AT 31.03.2014 (Rs.)
	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
	Share Capital	2	284,882,000	284,882,000
	Reserves & Surplus	3	(240,283,883)	(250,800,085)
(2)	Non-Current Liabilities			
	Long Term Borrowing	4	185,954,483	220,301,413
	Long Term Provisions	5	1,944,449	4,817,757
(3)	Current Liabilities			
	Short Term Borrowings	6	164,249,957	163,312,828
	Trade Payables	7	108,074,271	125,637,210
	Other Current Liabilities	8	66,357,458	53,582,061
	Short Term Provisions	9	3,468,940	
	Total		574,687,895	601,732,984
I	ASSETS			
(1)	Non-Current Assets			
	Fixed Assets	10		
	-Tangible Assets		228,135,801	253,134,202
(2)	CURRENT ASSETS			
	Inventories	11	174,620,692	146,128,417
	Trade Receivables	12	121,118,218	147,542,042
	Cash & Bank Balances	13	4,889,827	6,499,755
	Other Current Assets	14	47,903,357	48,428,568
	TOTAL		574,667,895	601,732,984
	SIGNIFICANT ACCOUNTING POLICIES	1		
	NOTES ON ACCOUNTS	2 to 20		

The notes are an integral part of the financial statements

For and on behalf of the Board

sd/-	sd/-	sd/-
Chetna Anand	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial & Chief Financial Office	Managing Director
	DIN 00038593	DIN00038661

In terms of our separate report of even date annexed
For **KANSAL SINGLA & ASSOCIATES**
Chartered Accountants
sd/-

(CA SURINDER KUMAR)
Partner
Membership No. 070405
FRN 003897N

Place : Chandigarh.
Date : May 8, 2015

PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

S.N.	PARTICULARS	NOTE No.	2014-15 (Rs.)	2013-14 (Rs.)
	Revenue from Operations (Gross)	15	607,200,858	468,264,916
	Less :- Returns		(20,154,791)	(7,527,927)
	Revenue from Operations (Net)		587,046,067	460,736,989
II	Other Income	18	175,822	2,037,015
III	Total Revenue (I + II)		<u>587,221,689</u>	<u>462,774,004</u>
IV	Expenses			
	Cost of Material Consumed	17	358,992,248	283,125,239
	Changes in Inventories of Finished Goods and Stock-In Process	18	(18,872,457)	(18,746,070)
	Personnel Expenses	19	78,304,723	65,217,156
	Financial Expenses	20	69,801,398	88,628,864
	Depreciation	10	17,715,896	13,942,747
	Other Expenses	21	58,508,312	49,459,514
	Total Expenses (IV)		<u>564,450,119</u>	<u>481,527,450</u>
V	Profit/(Loss) before exceptional end extraordinary items and Tax (III - IV)		22,771,570	1,146,554
VI	(Add)/ Less :- Exceptional items		5,890,078	-
VII	Profit/(Loss) before tax		18,881,492	1,146,554
VIII	Add :- Prior Period Income		173,738	328,198
IX	<u>Tax Expense:</u>			
	Provision for Current Tax		-	-
	Provision for Deferred Tax		-	-
	Earlier year taxes		8,518,810	-
X	Profit/ (Loss) for the period/year		10,538,421	(1,474,752)
XI	Earning per equity share (Diluted and Basic) (Face Value Rs. 10/-)			
	- After Exceptional Items		0.76	0.11
	- Before Exceptional Items		1.18	0.11

For and on behalf of the Board

sd/-	sd/-	sd/-
CHETNA ANAND	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial	Meneging Director & Cheif Financial Officer

In Terms of our Separate report of even date annexed
For **KANSAL SINGLA & ASSOCIATES**
Chartered Accountants

sd/-
(CA SURINDER KUMAR)
Partner
Membership No. 070405
FRN 003897N

Place : Chandigarh.
Date : May 8, 2015

**S. R. Industries
Limited**
Annual Report 2014-15

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2015

(Rs./Lacs)

Particulars	Current Year	Previous Year
Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax & Extraordinary items	22,771,572	1,146,553
Adjustment for :-		
Add :-		
Deprecation	17,715,896	13,942,747
Prior Period Income	173,738	328,198
Exceptional Items	(5,890,078)	279,746
Financial expenses (Interest Paid)	89,801,397	68,628,864
Less :-		
Interest in income	185,394	178,316
Operating Profit before working capital changes	<u>104,407,131</u>	<u>84,147,792</u>
Add :-		
Decrease in Loans & Advances	525,211	(4,227,126)
Decrease in Sundry Debtors	28,423,824	358,911
Increase in Other Current Liabilities	12,775,397	5,635,003
Increase in Provisions	595,632	1,920,590
Less :-		
Increase in inventories	28,492,276	29,592,169
Decrease in Trade Payables	17,562,939	(2,316,448)
Cash Generated from Operations	<u>98,671,981</u>	<u>80,559,449</u>
Taxes Paid	6,518,810	
Net Cash from Operating activities 'A'	<u>92,153,171</u>	<u>60,559,449</u>
Cash Flow from Investing Activities		
Purchase of fixed assets/CWIP	(717,495)	(4,149,973)
Govt. Subsidy Received against Machinery	10,000,000	5,650,000
Interest Received	185,394	178,316
Net Cash used in Investing Activities 'B'	<u>9,447,899</u>	<u>1,678,343</u>
Cash Flow from Financing Activities		
Repayment of unsecured loans	(3,134,366)	(9,454,318)
Repayment of long term Loans	(31,212,564)	(22,803,933)
Repayment of short term borrowings	937,329	41,419,765
Interest paid	(89,801,397)	(68,628,864)
Net Cash from Financing Activities 'C'	<u>(103,210,998)</u>	<u>99,467,350</u>
Net Increase in Cash & Cash Equivalent (A+B+C)	<u>(1,609,928)</u>	<u>2,770,442</u>
Cash & Cash Equivalent at the beginning of period	6,499,755	3,729,313
Cash & Cash Equivalent at the end of period	4,889,827	6,499,755

For and on behalf of the Board

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

In Terms of our Separate report of even date annexed

For KANSAL SINGLA & ASSOCIATES

Chartered Accountants

sd/-

(CA SURINDER KUMAR)

Partner

Membership No. 070405

FRN 003897N

Place : Chandigarh.

Date : May 8, 2015

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS OF PREPERATION OF FINANCIAL STATEMENTS**
 - a) The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013. Accounting policies not specifically referred to are consistant with generally accepted accounting policies.
 - b) The company generally follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.
2. **FIXEO ASSETS**

The fixed assets are recorded et the cost which includes freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Adjustments arising from exchange rate fluctuations relating to outstanding liabilities attributable to the fixed essets are capitalized/ adjusted.
3. **INVENTORIES**

Inventories are valued on FIFO Method

 - Raw Materials- at lower of cost or net realizable value.
 - Packing materials, consumable stores and spares-et cost.
 - Stock-in-process- Material cost plus appropriate share of production overheads.
 - Finished goods- at lower of cost or net realizeble value.
- 4) **CASH AND CASH EQUIVALENTS**

Cash end cash equivalents in the balance sheet comprise cash at bank, cash in hand & short term investments
- 5) **EXPENDITURE ON EXPANSION**

Expenditure directly relating to constructions/substantial expansion activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to tha extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned during construction period is deducted from the total of indirect expenditure.

As regards indirect expenditure on expansion, only that portion is capitalized which reprasants the marginal increase in such expenditure involvad as a result of capital expansion. Both direct and indirect expenditura are capitalized only if they increase the valua of the asset beyond its original standard of performance.
- 6) **DEPRECIATION**

Depreciation is provided on SLM on all the fixed assets on the basis of life of the assets as prescribed in Schedule II of the Companies Act, 2013.
- 7) **RESEARCH ANO DEVELOPMENT**

Revenue expenditure incurred on Research & Oavelopment is charged to Profit & Loss Account
- 8) **REVENUE RECOGNITION**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

 - (a) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.
 - (b) Other incoma is accounted for on accrual basis as and

when the right to receive arises.

- 9) **FOREIGN CURRENCY TRANSACTIONS**

Export sales are accounted for at axchange rata pravailling on the date the documents ara negotiated/ realized with/ through bank. In case of diract remittance from buyers the difference between the exchange ratas on the dispatchad data and actual exchange rate of foreign currency on receipt of payment is bookad in sales.

The assets and liabilities at tha year end are translated at the closing exchange rate and the diffarence between the transactions is taken into profit and loss account.

The foreign currency transactions in respect of payment towards cost of fixed assets, spares, traveling, commissions etc. ara accounted for at the exchange rates pravailling on the date of transaction/ remittance.
- 10) **BORROWING COST**

Borrowing costs that are attributable to the acquisition on construction of qualifying assets ere capitalized es a pert of tha cost of such assets. A qualifying esset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs ara charged to revena.
- 11) **TAXES ON INCOME**

Tax expenses comprises of current, deferred income tax and fringe benefit tax. Provision for current income tax end fringe benefits tax is mede for the amount of tax payable in respect of taxable income for the year under The Income Tax Act, 1961. Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between the book profits and tax profits that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax essets end liabilities are measured using the tax retes and tax loss that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the axtent that there is a reasonable cartainty that sufficient further taxable income will ba available against which such daferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferrad tax assets are recognized only whare virtual certainty that such daferred tax assats can be realized against further taxable profits. Unrecognized deferred tex assets of eerlier years are reassessed and recognized to the axtent that it has become reesonably certain that further taxable income will be available against which such deferred tax assets can be realized.
- 12) **RETIREMENT BENEFITS**

The liability on account of Gratuity is covered by the Group Gratuity Policy taken from Lifa Insurance Corporation of India. Contribution to the Gratuity fund is charged to revenue. The liability of Leave Encashment is provided on actuarial basis. Tha contribution to the Provident Fund is made as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- 13) **USE OF ESTIMATES**

The presentation of financial statements require estimates end assumptions to be mede that effect the reported amount of assets and liabilities on the dete of financial statements and the reported amount of revena and expenses during the reporting period. Difference between the actual results

and estimates are recognized in the period in which the results are known/ materialized.

14) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend & taxes) by the weighted average number of equity shares outstanding during the financial year. Equity shares that are partly paid up are treated as a fraction of an equity share to the extent they entitled to participate in dividends. The weighted average numbers of equity shares outstanding during the year are adjusted for events such as bonus issue, bonus element in a right issue to the existing shareholders, share split and consolidation of shares.

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

15) INTANGIBLE ASSETS

An Intangible Asset is recognized if and only if-

- a) It is probable that the future economic benefits that attributable to the assets will flow to the enterprise.
- b) The cost of assets can be measured reliably.

An intangible asset is measured initially at cost.

The amortization method will be used to reflect the pattern in which asset's economic benefits are consumed by the enterprise. If that pattern cannot be determined reliably, the straight line method will be used.

16) IMPAIRMENT OF ASSETS

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

17) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions are determined based on the best estimates required to fulfill the obligation on the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

18) INVESTMENTS

- i) Investments are classified as Long Term and current investments.
- ii) Long Term Investments are carried at cost. Provision for Diminution, if any in the value of each long term investment is made to recognize a decline other than of temporary nature.
- iii) Current Investments are stated at lower of cost or market

value and resultant decline, if any, is charged to revenue.

19) SEGMENT REPORTING

a). Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting.

- (1). Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment sales.
- (2) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segment are included under un-allocable corporate expenditure.
- (3) Income which relates to the company as a whole and not allocable to segments is included in un-allocable corporate income.
- (4) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to company as a whole and not allocable to any segment. Un-allocable assets mainly comprise corporate head office assets, investments and tax deposited with the Income Tax authorities. Un-allocable liabilities include mainly unsecured loans and tax payable to Income Tax Authorities.

b). Inter Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of cost of production.

20) GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis the cost, which it is intended to compensate. Where grant/subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset against which grant/subsidy has been received and further where the grant/subsidy is in the nature of promoters contribution the amount of grant/subsidy is accounted for as a capital reserve.

**S. R. Industries
Limited**
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	AS AT 31.03.2015 (Rs.)		AS AT 31.03.2014 (Rs.)
NOTE 2 : Share Capital			
AUTHORISED CAPITAL			
15,000,000 (Previous Year 15,000,000) Equity shares of Rs.10/- each	150,000,000	150,000,000	-
1,500,000 (Previous Year 1,500,000) 8% Non Cum Preference Shares of Rs.100/- each	150,000,000	150,000,000	300,000,000
	300,000,000		300,000,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
13,916,000 (Previous year 13,916,000) Equity Shares of Rs.10/- each	139,160,000	139,160,000	-
Less : Allotment Money Unpaid	278,000	278,000	138,882,000
1,460,000 (previous Year 1,460,000) 8% Non Cum Preference Shares Rs. 100/- each	1,460,000,000	1,460,000,000	1,460,000,000
	284,882,000		284,882,000
TOTAL			

NOTE 2A : Reconciliation of Share Capital	As at March 31, 2015	As at March 31, 2014
1. Equity Shares with Voting Rights :		
- Number of Shares outstanding as at beginning of year	13,916,000	13,916,000
Add :		
- Shares issued during the year	-	-
- Number of Shares outstanding as at the end of the year	13,916,000	13,916,000
2. 8% Non-Com Preference Shares :		
- Number of Shares outstanding as at beginning of year	1,460,000	1,460,000
Add :		
- Shares issued during the year	-	-
- Number of Shares outstanding as at the end of the year	1,460,000	1,460,000

*** Terms/Rights attached to Equity Shares**

The Company has one class of Equity Shares having a par value of Rs 10. Each holder of Equity Share is entitled to one vote per Share.

*** Terms/Rights attached to 8% Non-Cum-Preference Shares**

The Company has one class of 8% Non-Cumulative Shares having a par value of Rs 100/-. These shares are redeemed on completion of 20 years from the date of issue.

*** During the last five years the company has not issued any shares for considerations other than cash.**

NOTE 2B : Detail of shares held by each shareholder holding more than 5% shares.				
NAME OF SHAREHOLDER	As at 31 March, 2015		As at 31st March, 2014	
	No. of Shares Held	% Holding in that class of shares	No. of Shares Held	% Holding in that class of shares
AMIT MAHAJAN	2,592,390	18.63	2,106,250	15.14
Universal Cyber Infoway Pvt. Ltd.	951,100	6.83	951,100	6.83
LSE Securities Ltd.	152,107	1.09	1,015,652	7.30
NOTE 2C : Detail of Preference shares held by each shareholder holding more than 5% shares.				
Amit Mahajan S/o Late Sh. Y. D. Mahajan	569,481	39.01	569,481	39.01
Pride Properties Pvt. Ltd.	111,400	7.63	111,400	7.63
Beckons Industries	75,000	5.14	75,000	5.14
Universal Cyber Infoways	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	75,289	5.16	75,269	5.16
Krishna Garden	74,000	5.07	74,000	5.07

**S. R. Industries
L i m i t e d**
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	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Note 3 : Reserve & Surplus		
1 Capital Reserve	1,713,900	1,713,900
2 State Investment Subsidy	3,000,000	3,000,000
3 Share Premium	11,805,000	11,805,000
4 Deficit of Statement of Profit & Loss :		
Opening Balance	(267,318,985)	(268,793,736)
Add : Profit/(Loss) During the period/year	10,536,422	1,474,751
Closing Balance	<u>(256,762,563)</u>	<u>(267,318,985)</u>
Total	<u>(240,263,663)</u>	<u>(250,800,065)</u>
Note 4 : LongTerm Borrowings		
1 Secured Loans*		
- From Banks (State Bank of Patiala & UCO Bank)		
i) Term Loans	154,363,454	164,471,406
ii) Corporate Loans	3,003,694	9,460,013
iii) FITL	1,134,309	13,211,878
* Term/Corp/FITL Loans from the banks are secured by pari-passu first charges on Fixed Assets of the Company, present and future, including equitable mortgage of land and building of the Company's factory at Village Singha, Teh. Haroli, Distt. Una (H.P.). These loans are further secured by the personal guarantees of the Directors.		
* Term Loans are repayable in 28 quarterly instalments starting from April 2012 and ending on January 2019.		
- Corp Loans are repayable in 16 quarterly instalments starting from October 2011 and ending on July 2015.		
Less : Current Maturities on Long Term Debts	(28,138,203)	(25,831,700)
	130,383,454	161,331,599
2 Vehicle Loans**		
** Vehicles Loans are secured against hypothecation of vehicles.	264,419	604,560
Less : Current Maturities on Long Term Debts	(264,419)	(540,141)
	-	264,419
3 Unsecured Loans		
- Directors	55,571,029	56,779,631
- Inter-Corporate Loans	-	1,925,564
Total	<u>185,954,483</u>	<u>220,301,413</u>
Note 5 : Long Term Provisions		
1 Provison for Employee Benefits		
- Gratuity	1,131,798	1,632,014
- Leave Encashment	812,653	3,165,743
Total	<u>1,944,449</u>	<u>4,617,757</u>
Note 6 : Short Term Borrowings		
1 Working Capital Facilities ***		
- From Banks	164,249,957	163,312,626
Total	<u>164,249,957</u>	<u>163,312,626</u>

*** Working capital facilities from banks are secured by way of first pari-passu charge on the current assest and second pari-passu charge on the fixed assets of the Company, present and future. These loans are further secured by the personal guarantees of the directors.

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	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Note 7 : Trade Payables		
1 - For Current Supplies	107,192,795	123,860,185
2 - For Capital Goods	881,478	1,777,045
Total	108,074,271	125,637,210
Note 8 : Other Current Liabilities		
1 - Current maturities of long term debts	28,402,622	28,371,841
2 - Creditors for Expenses	36,558,467	25,813,851
3 - Advances From Customers	1,396,389	1,396,369
Total	68,357,458	53,582,081
	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Note 9 : Short Term Provisions		
1 - Provision for Employee Benefits		
- Gratuity	1,027,880	-
- Leave Encashment	2,441,080	-
Total	3,468,940	-

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NOTE 10 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	Additions	Sales/ Transfer	Total	AS AT	Ouring Period	Adjstments	Total	AS AT	Total
	31.03.2014 (Rs.)	(Rs.)	(Rs.)	31.03.2015 (Rs.)	31.03.2014 (Rs.)	(Rs.)	(Rs.)	31.03.2015 (Rs.)	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Freehold Land	12,509,389	-	-	12,509,389	-	-	-	-	12,509,389	12,509,389
Buildings	92,647,959	-	-	92,647,959	11,973,929	2,905,150	-	14,879,079	77,768,880	80,674,030
Plant & Machinery	164,164,345	382,390	10,000,000	154,546,735	32,631,040	10,804,650	-	43,435,690	111,111,045	131,533,305
Electrical Installations	11,340,212	-	-	11,340,212	2,794,821	1,294,405	-	4,089,226	7,250,986	8,545,391
D G Sets	3,313,064	-	-	3,313,064	889,578	204,618	-	1,094,195	2,218,868	2,423,486
Laboratory Equipments	682,835	-	-	682,835	173,616	79,180	-	252,796	430,039	509,219
Moulds & Dies (Tools)	3,802,116	223,630	-	4,025,746	194,432	253,521	-	447,953	3,577,793	3,607,684
Furniture, Fixture & Office Equipments	12,974,732	111,475	-	13,086,207	3,763,868	1,377,493	-	5,141,361	7,944,846	9,210,864
Vehicles	8,757,077	-	-	8,757,077	4,636,243	796,879	-	5,433,122	3,323,955	4,120,834
Tangible Assets	310,191,729	717,495	10,000,000	300,909,224	57,057,527	17,715,896	-	74,773,423	226,135,801	253,134,202
Previous Year	312,422,302	4,149,973	6,380,546	310,191,729	43,565,580	13,942,747	450,800	57,057,527	253,134,202	268,856,722

Note : During the year, the Company received Rs. 1,00,00,000 as subsidy from Government of India towards part payment for installation of machinery and the same has been adjusted the cost of Plant & Machinery.

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
NOTE 11 : Inventories (Valued at lower cost or net realisation value)		
Raw Material	55,143,064	44,527,078
Finished Goods	36,083,388	42,269,211
Stock-in-Process	43,834,841	27,807,073
Consumable Stores	21,943,408	16,413,297
Packing Materials	12,356,300	9,182,318
Fuel	111,294	206,892
Stores & Spares	5,148,397	5,722,548
Total	174,620,692	146,128,417

NOTE 12 : Trade Receivables

Unsecured

Outstanding for period exceeding six months from date they became

due considered good except doubtful	41,691,108	62,828,538
Doubtful debts	921,131	921,131
Less : Provision for doubtful debts	(921,131)	(921,131)
Others Considered Good	79,427,110	84,713,504
Total	121,118,218	147,542,042

NOTE 13: Cash & Cash Equivalents

Cash-in-Hand

Cash Balance	2,126,708	4,175,812
Sub Total (A)	2,126,708	4,175,812
Bank Balance		
- In Current Accounts	346,962	56,641
- In Deposit Accounts*	2,416,157	2,267,302
Sub Total (B)	2,763,119	2,323,943
Total [A + B]	4,889,827	6,499,755

* Fixed deposits with banks are pledged against bank guarantees/Letters of credit.

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NOTE 14: Other Current Assets

	As at 31.03.2015 <u>(Rs.)</u>	As at 31.03.2014 <u>(Rs.)</u>
Unsecured, Considered Good :		
Advances recoverable in cash or in kind for value to be received	34,849,530	31,538,577
Duty Drawback Receivable	607,999	607,999
Income Tax Paid under Protest	4,502,310	8,594,383
Security Deposits	1,406,169	1,231,169
TDS Recoverable	80,889	-
CST/VAT Refund Receivable	6,458,460	6,456,480
Total	<u>47,903,357</u>	<u>48,428,568</u>
	<u>2014-15</u> <u>(Rs.)</u>	<u>2013-14</u> <u>(Rs.)</u>

NOTE 15: Revenue from Operations

Sale of products		
Domestic	603,743,646	468,264,918
Export	3,457,212	-
Less :		
Sales Return	(20,154,791)	(7,527,927)
Total	<u>587,046,067</u>	<u>480,736,989</u>

NOTE 16: OTHER INCOME

Interest Income		
Interest on FDR	165,394	178,316
Other Receipts		
Miscellaneous Income	10,228	1,598,142
Exchange Rate Fluctuation	-	260,557
Total	<u>175,622</u>	<u>2,037,015</u>

NOTE 17: Cost of Material Consumed

Raw Material & Goods in Transit		
Opening Stock		
-Raw Material	44,527,078	31,690,023
Purchase During the Year	261,679,267	210,925,302
Less:- Damaged Stock	(2,407,112)	-
Less:- Closing Stock		
- Raw Material	(55,143,064)	(44,527,078)
Raw Material Consumed	<u>248,656,169</u>	<u>198,088,247</u>
Consumable Stores		
Opening Stock	18,413,297	15,407,086
Purchase During the Year	54,470,880	44,481,790
Less:- Closing Stock	(21,943,408)	(16,413,297)
Consumable Stores Consumed	<u>48,940,769</u>	<u>43,455,579</u>
Packing Material		
Opening Stock	9,182,318	10,081,629
Purchase During the Year	59,287,949	35,005,681
Less:- Closing Stock	(12,356,300)	(9,182,318)
Packing Material Consumed	<u>56,113,967</u>	<u>35,904,992</u>
Fuel		
Opening Stock	206,892	507,531
Purchase During the Year	5,185,745	5,375,782
Less:- Closing Stock	(111,294)	(206,892)
Fuel Consumed	<u>5,281,343</u>	<u>5,678,421</u>
Total Material Consumed	<u>358,992,248</u>	<u>283,125,239</u>

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	2014-15 (Rs.)	2013-14 (Rs.)
NOTE 18 : Change in Inventories of Finished Goods and Stock in Process		
1. Finished Goods		
Opening Stocks	42,269,211	27,678,073
Less : Damaged Stock	7,214,862	-
Closing Stocks	36,083,388	42,269,211
Total (increase)/decrease in Finished Goods	(1,029,039)	(14,591,138)
2. Stock - in- Process		
Opening Stock	27,807,073	23,652,141
Less : Damaged Stock	1,815,650	-
Closing Stock	43,834,841	27,807,073
Total (increase)/decrease in Stock-in-Process	(17,843,418)	(4,154,932)
Total	(18,872,457)	(18,746,070)
NOTE 19 : Personnel Expenses		
1. Remuneration & Perks to Directors	4,183,592	4,212,917
2. Salary, Allowances & Perks to Employees	64,464,650	55,305,390
3. Staff Welfare Expenses	3,641,576	3,302,882
4. Contribution Towards Funds	6,014,905	2,395,967
Total	78,304,723	65,217,166
NOTE 20 : Financial Expenses		
1. Interest on Long Term Loans	32,857,200	37,812,220
2. Interest on Working Capital Loans	34,699,407	29,066,994
3. Bank Charges	2,244,790	1,749,650
Total	69,801,397	68,628,864
NOTE 21 : Other Expenses		
1. Power	11,945,590	12,234,937
2. Job Work Charges	24,223,303	17,417,327
3. Consumption of Moulds & Dies	4,101,810	4,718,640
4. Repairs to Plant & Machinery	451,616	319,271
5. Repairs to Building	-	119,488
6. Freight Outward	1,659,341	1,998,597
7. Commission & Discount	4,131,384	1,440,207
8. Business Promotion Expenses	992,998	758,410
9. Insurance	668,454	631,810
10. Rent Rates & Taxes	1,428,769	1,590,743
11. Penalty Charges	2,962,348	457,557
12. Vehicle Running & Maintainance	1,171,072	1,463,371
13. Postage Telegram & Telephone	548,183	735,504
14. Factory Maintenance	28,810	29,210
15. Fees Subscription & Legal Expenses	1,611,572	1,336,348
16. Security Expenses	-	1,063,763
17. Traveling Expenses		
- Directors	478,768	815,049
-Others	1,437,552	1,390,627
18. Auditors' Remuneration:-		
- Audit fees	105,057	105,057
19. Loss on Sale of Vehicles	-	279,746
20. Miscellaneous Administrative Expenses	561,683	555,853
Total	58,508,310	49,459,515

NOTE 22

NOTES ON ACCOUNTS

I. CONTINGENT LIABILITIES:-

- a) The liabilities in respect of Income Tax, Purchase Tax and Sales Tax have been accounted for on the basis of respective returns filed with the relevant authorities. Additional Demand, if any, shall be accounted for in the year in which the assessment is complete. The status of tax assessments is as under:
- i) The Income Tax assessments have been completed upto the assessment year 2012-13. An Additional demands of Rs.45.02 Lacs for A.Y. 2007-08 has already been paid and Shown under Other Current Assets as income tax paid under protest. The company has filed appeals against the said demand before the Income Tax Appellate Tribunal, which is pending for adjudication.
- ii) The Sales Tax/Purchase Tax assessments have been completed up to the Financial Year 2010-11 and there is no demand outstanding.
- b) Central Excise Authorities have gone in appeal against the order of Commissioner (Appeals) which was decided in favour of the Company against the demand of Rs. 258.70 Lacs (Previous Year Rs.258.70). The Company has refuted the liability based on the advice received from the legal experts and accordingly has not made any provisions in the books of accounts. The requisite provision, if any, will be made in the year the final decision is made.
- c) 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. The Company has disputed the said demand and filed an appeal to set aside the said orders. The requisite provisions, if any, will be made in the year of final decision.
- d) The Company has given counter guarantee to banks of Rs 6.00 lacs (Previous Year Rs. 6.00 Lacs) in respect of the guarantees issued by the banks on behalf of the Company in favour of HPSEB.
- II The Capital Reserve represents forfeiture of 10% upfront payment received on Convertible Warrants issued during 2005-06
- III In view of insufficient information from the suppliers regarding their status as Small, Micro & Medium Enterprises, amount overdue to such undertakings can not be ascertained. However, the Company has not received any claim from any supplier in respect of interest.
- IV Two creditors of the Company have filed winding up petition against the company under Section 271 of The Companies Act, 2013 in the Punjab & Haryana High Court for payment of Rs. 7.95 Lacs, which is pending for adjudication.
- V The balance of trade receivable, trade payables, contractors and others are subject to reconciliation and confirmation
- VI In the opinion of the Board of Directors all the Current Assets, Loans and Advances except to the extent of provision of Rs.9.21 Lacs for doubtful debts, if realized in the ordinary course of business, have a value at least equal to the amount at which these are stated in the Balance Sheet.

VII Prior period expenses

Exceptional Items include the followings Prior period income/ expenses:-

	(Rs./Lacs) Current Year	(Rs./Lacs) Previous Year
Income	1.74	3.28
Expense	0.00	0.00

VIII As per Accounting Standard-11, "Effects of Change in Foreign Exchange Rates" issued by "The Institute of Chartered Accountants of India", the amount due to foreign creditors have been restated at closing rate i.e. rate as at 31.03.2015. The difference amount of Rs. 65,429.32 is adjusted through Exchange Rate fluctuation Account.

IX During the year, the company has provided depreciation based on the useful life of the assets as per schedule II to the companies act, 2013 whereas earlier the same was provided at the rates prescribed in schedule XIV to the companies act, 1956. As the result of this change, the amount of depreciation charged is higher by Rs 42.45 Lacs.

X. As per Accounting Standard - 15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows

Summary of membership data (As at 31st March, 2015)

No. of employees	98
Total Monthly Basic Salary (in Rs.)	1168750
Total Monthly CTC (in Rs.)	1685966
Average age (in years)	31
Average past service (in years)	2.28
Expected future working life (in years)	7.97
Average accumulated leave per employee (in days)	29

The assumptions are as follows:

i) All valuation assumptions have been set strictly in accordance with guidelines contained in AS15(R)

ii) The assumptions employed for calculation are:

(FINANCIAL)	
Discount Rate	8%
Estimated Rate of increase in compensation levels	5%

(DEMOGRAPHIC)

Mortality Rate	Indian Assured Lives Mortality(2006-08) Ult
Attrition	10%
Disability	No explicit allowance

iii) The discount rate has been determined by reference to market yields as at 31st March, 2015 on CG-Secs of currency and term consistent with those of benefit obligations.

iv) The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This estimate is also tempered by quick review undertaken, in cooperation with the company's officials, of the company's past and current wage structure, staff compensation practices and the level of price neutralization likely to be affected through periodic wage increase over the next 5 to 10 years. Further, it is assumed that the ceiling on gratuity amount will increase in line with salary inflation over the long term. No allowance has been made for performance based discretionary increase in salary in individual cases.

- v) The retirement age has been uniformly taken as 58 years.
vi) No allowance has been made for future improvement in in-service mortality.
vii) It is assumed, based on their overall behavior pattern, that the employees are unlikely to avail/encash the entire accumulated/carry forward of leave during the coming 12 months.
viii) Attrition rate vary from industry to industry and, within industry, from company to company. In practice no single averaged out figure is likely to be representative of the different attrition rates observed over the entire age range. Since the data regarding the number of employees who left the services of the company during past few years is not available, the attrition rate, which is chosen with the concurrence of the company's authorized officials, is based on the experience gathered from other similar manufacturing units broadly corresponding in size, activity and staffing pattern to those of the Company.

The amount of gratuity and leave encashment to be recognized in books is as follows:

CLASSIFICATION	GRATUITY	LEAVE ENCASHMENT
Current Provision	1027880	2441060
Non Current Provision	1131796	812653
Total liability recognised in Balance Sheet	2159676	3253713

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	583866	818831	298390	661855
Net actuarial loss recognised in the period	23796	(610817)	1333624	2523888
Expense recognised in the Statement of Profit and Loss	607662	208014	1632014	3185743

XI RELATED PARTY DISCLOSURES:-

Disclosures as required by the Accounting Standard -18 "Related Party Disclosures" issued by the ICAI are given below:

-Associate Companies

1. Universal Cyber Infoway Pvt. Ltd.
2. Pride Properties Pvt. Ltd.
3. Susang mac Pvt. Ltd.
4. Sam Export
5. Waltz Retail and Marketing
6. Gulmohar Investments & Holdings Ltd.
7. Socks & Socks

-Key Management Personnel:

1. Mr. R.C. Mahajan - Managing Director
2. Mr. Amit Mahajan - Director Commercial & Chief Financial Officer
3. Mr. Amit Mahajan - Director Operations
4. Ms. Chetna Anand - Company Secretary

TRANSACTIONS WITH RELATED PARTIES:-

Particulars	Associates		Key Management personnel	
	Current Year	Previous Year	Current Year	Previous Year
Loans accepted	Nil	Nil	140.4	Nil
Loans Repaid/ Adjusted	Nil	Nil	152.49	78.59
Remuneration & Perks	N.A.	N.A.	40.49	41.58
Sale of Goods	43.22	Nil	Nil	Nil
Outstanding Balance	31.04	Nil	555.71	587.80

XII. MANAGERIAL REMUNERATION:

PARTICULARS	Current Year	Previous Year
Salary	38.70	39.75
Provident Fund contribution	0.00	0.00
Perks	1.79	1.83
Total	40.49	41.58

XIII EARNING PER SHARE:

As per As-20 Earning per share issued by ICAI EPS is as follows:-

Particulars	Current Year	Previous Year
Net Profit/(loss) before exceptional items	164.27	14.75
Net Profit/(loss) after exceptional items	105.36	14.75
Average no. of shares of Rs 10/- each(basic)	13916000	13916000
Earning Per Share before exceptional items (Basic & Diluted)	1.18	0.11
Earning Per Share after exceptional items (Basic & Diluted)	0.78	0.11

XIV. DEFERRED TAX:

Deferred tax assets & liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

Major components of Deferred tax Assets & Liabilities are:

PARTICULARS	AS AT 31.03.2015	DURING THE YEAR	AS AT 31.03.2014
A) Deferred Tax Liability			
- Difference in Carrying Amount of Fixed assets in the financial statements and the Income Tax Returns	1,138.58	(163.31)	1,301.87
- Expenses not Charged in Financial Statements but allowed in income tax	19.48	19.46	-
TOTAL (A)	1,158.02	(143.85)	1,301.87
B) Deferred Tax Asset			
- Unabsorbed Depreciation & business loss	1,210.96	(225.58)	1,436.54
- Expenses Charged in Financial Statements but not allowed in income tax	-	(19.43)	19.43
- Provision for doubtful debts	9.21	-	9.21
Provision for leave encashment	32.54	0.88	31.86
Provision for gratuity	21.60	5.28	16.32
TOTAL (B)	1,274.29	(239.06)	1,513.35
Net Deferred Tax Liability/(Asset)	(116.27)	95.22	(211.49)
Tax Impact	(37.73)	27.62	(65.35)

As a matter of Prudence, The company has not recognized Deferred Tax Asset

XV. As per Accounting Standard -28 "Impairment of Assets" issued by ICAI, the management has reviewed its cash generating units as on 31.03.2015. No indication has been found by the management to suggest that the recoverable amount of Asset is less than the carrying amount. Hence no impairment loss on asset has been recognized.

XVI MOVEMENT OF PROVISIONS (Rs./Lacs)

	Current Year		Previous Year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Opening Balance	31.86	16.32	22.67	6.32
Add:	2.08	6.08	18.61	20.57
Less: Amount Used	1.40	0.80	9.42	10.57
Closing Balance	32.54	21.60	31.86	16.32

XVII. Derivatives instruments and unhedged foreign currency exposure

Particulars	As at	As at
	31.03.2015	31.03.2014
Unhedged foreign currency exposure	Nil	Nil

XVIII. During the month of July, 2014, the company's plant at District Una was flooded and the company suffered a heavy loss. Insurance claim for Rs. 163.03 Lacs was filed with the insurance company. The insurance claim was settled at Rs. 104.13 Lacs. The balance loss of Rs. 58.90 Lacs has been written off as an exceptional item in the Statement of Profit & Loss.

XIX. Due to inadequate profits, the company has not created Capital Redemption Reserve.

XX. CIF Value of Imports, Earnings & Expenditure in foreign Currency

(Rs./ Lacs)

PARTICULARS	Current Year	Previous Year
a) CIF Value of Imports		
Capital Goods	Nil	Nil
Raw Material, Consumable Stores, Stores & Spares	152.56	188.40
b) Expenditure in Foreign Currency		
Interest	0.00	0.00
Traveling	1.46	4.26
Discount	0.00	0.00
Others	0.00	0.00
c) Earnings In Foreign Exchange		
FOB Value of Exports (including Third Party Export of Rs. 33.93 Lacs)	34.57	0.00

XXI. Previous year figures have been recasted/regrouped/rearranged wherever necessary to make them comparable with that of current year.

For & on behalf of the Board

ad/-	sd/-	sd/-
CHETNA ANAND	AMIT MAHAJAN	R.C. MAHAJAN
Company Secretary	Director-Commercial	Managing Director
	& Chief Financial Officer	DIN00038661
	DIN 00038593	

AUDITORS' REPORT
In terms of our separate report of even date Annexed
For **KANSAL SINGLA & ASSOCIATES,**
Chartered Accountants
sd/-

Place: Chandigarh.

(CA SURINDER KUMAR)
Partner

Date : May 8, 2015

Membership No. 070405
FRN 003897N

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Shareholders of the company will be held on Wednesday, the 30th day of September, 2015 at 11.00 A.M. at the Registered Office of the Company at F-110, Industrial area, Phase VII, Mohali, Punjab to transact the following business-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet as at March 31, 2015 and the Profit & Loss Account for the year ended on that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Amit Mahajan, Director (Commercial) (DIN 00038593) who retires by rotation and is eligible for reappointment.
3. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of Companies Act, 2013, M/s Kansal Singla & Associates, Chartered Accountants, Chandigarh, the retiring auditors of the Company, be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting required to be held for the financial year 2019-2020, subject to ratification of their appointment at every Annual General Meeting by the members at a remuneration to be mutually agreed."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. R. K. Bhandari (DIN 00354242), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to 30.09.2020"

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Seema Mahajan (DIN 08978148), appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 181 and 149 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mrs. Seema Mahajan (DIN 08978148) for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to 10.11.2019."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act and subject to the approval of such authorities as may be necessary, consent of the members of the company be and is hereby accorded for payment of Commission @ 1% of Net Profit along with the Salary and other Perquisites already received by Mr. Ramesh Chander Mahajan (DIN 00038661) as Managing Director of the Company with effect from 01.10.2015, for remainder of duration of appointment upto December, 2018.

For and on behalf of the Board

Place: Mohali
Date: 12.08.2015
Regd. Office:
F-110, Industrial area, Phase VII, Mohali

(R. C. Mahajan)
Managing Director

NOTES:

1. The Explanatory Statements 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 25th day of September, 2015 to 30th day of September, 2015 (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/DPIO-Client (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., 44, Community Centre, 2nd Floor, Naryana Industrial Area, Phase 1, Near PVR, Naryana, New Delhi-110028.
8. Members holding shares in electronic form are requested to notify change in their address, if any, to their Depository Participant.
9. Pursuant to provisions of the Companies Act, 2013 read with the Rules framed there under, 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 the Companies (Management and Administration) Rule, 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 purpose. For members who have not registered their email address, physical copies are being sent by the permitted mode.
11. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Agreement with Stock Exchanges, 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 Wednesday, the 30th day of September, 2015 at 11.00 A.M. at the registered office of the company at F-110, Industrial Area, Phase VII, Mohali (Punjab). The Company has engaged the services of CDSL to provide the e-voting facility.
12. The instructions for members for E-Voting are as under:
 - (i) The voting period begins on Sunday, the 27th day of September, 2015 at 10.00 A.M. and ends on Tuesday, the 29th day of September, 2015 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 Wednesday, the 23rd day of September, 2015, 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: 18 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 DDB 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.

(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. Wednesday, the 23rd day of September, 2015 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. Rameah Bhatia, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair & 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.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. R. K. Bhandari (DIN 00354242), is a Non Executive Independent Director in terms of Clause 49 of the Listing Agreement of the Bombay Stock Exchange and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of an Independent Director of the Company.

As per the provisions of section 149 of the Companies act, 2013, every listed company is required to have atleast 1/3rd of the total number of directors as Independent Directors, hence the Board recommends the Ordinary Resolution for approval of the members.

The Company has received a declaration from Mr. R. K. Bhandari (DIN 00354242), that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. R. K. Bhandari (DIN 00354242), fulfills the condition specified in the Act and Rules framed thereunder for his appointment as Independent Director. The Board feels that his continued association with the company would be of immense benefit and it is desirable to avail his services and therefore recommends his appointment as Independent Director of the Company.

Copy of the draft letter of appointment of Mr. R. K. Bhandari (DIN 00354242), setting out the terms and conditions of his appointment would be available for inspection by members at the registered office of the Company during normal business hours on working days. He does not hold any shares of the Company.

Except Mr. R. K. Bhandari (DIN 00354242), none of the Directors, Key Managerial Personnel or their relatives is interested or concerned in this resolution.

ITEM NO. 5

The Board of Directors had appointed Mrs. Seema Mahajan (DIN 06976146) as an additional Independent Director from 10th November, 2014.

Mrs. Seema Mahajan, aged 47 years is a business woman. She is running family business and actively participate in taking all the decisions of business. She possess vast and rich experience in handling management and affairs of manufacturing company.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Seema Mahajan (DIN 06976146) holds office as additional Director only upto the date of forthcoming Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the

amount of requisite deposit from one of the members signifying his intention to propose the appointment of Mrs. Seema Mahajan (DIN 06978146) as a Director.

The Company has also received a declaration from Mrs. Seema Mahajan (DIN 06978146), that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mrs. Seema Mahajan (DIN 06978146), fulfills the condition specified in the Act and Rules framed thereunder for her appointment as an Independent Director. The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the company and hence recommends the Resolution at Item No. 5 of this Notice for your approval. She does not hold any shares of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mrs. Seema Mahajan (DIN 06978146) is interested or concerned in this resolution.

ITEM NO. 6

The Nomination and Remuneration Committee, in its meeting held on 12.08.2015 recommended and the Board of Directors, in its meeting held on 12.08.2015, approved the payment of Commission @ 1% of Net Profit to Mr. Ramesh Chander Mahajan (DIN 00038661), as Managing Director of the Company with effect from 01.10.2015, for remainder of duration of appointment i.e. upto December, 2016 subject to the approval of the shareholders in the General Meeting.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder as Annexure to this Notice.

Mr. Ramesh Chander Mahajan is the Managing Director of the Company and is actively involved in the area of production and management of the company, since inception.

Approval of shareholders is sought for payment of Commission @ 1% of Net Profit for the remaining period of existing appointment commencing from 01.10.2015 to Mr. Ramesh Chander Mahajan, Managing Director of the Company.

With his vast experience, the Board of Directors considered it to be desirable to approve the payment of Commission to him for his current tenure of appointment as Managing Director of the Company.

The Board of Director recommends the relevant resolution for your consideration and approval as Special resolution.

None of the Directors except Mr. Ramesh Chander Mahajan himself and Mr. Amit Mahajan Director (Operations), being his relative, is concerned or interested in the resolution. None of the shareholders except Mrs. Suman Mahajan and Mr. Anuj Mahajan, being his relatives, is concerned or interested in the resolution.

ANNEXURE

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

I. General Information-

Nature of Industry	Manufacturing
Date or expected date of Commercial Production	N.A. Since the company has already commenced its business activities
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

Financial Performance-

Particular	(Rs. In Lacs)		
	For the year/period ended		
	30 th June, 2015	31 st March, 2015	30 th June, 2014
Total Income	1437.98	1818.03	1227.43
Depreciation	39.55	74.02	34.08
Total Expenses	1236.05	1531.47	1031.72
Net Profit	49.68	(33.39)	24.64
Paid up Capital	1388.82	1388.82	1388.82
Reserves & Surplus	0.00	0.00	0.00

Foreign Investments or collaborations, if any- There is no direct foreign investment in the Company except to the extent shares held by Foreign Investors (FI) acquired through secondary market. There is no foreign collaboration in the Company.

ii. information about the Appointee

	Mr. Rameeh Chander Mahajan
Background details	Given in the body of this statement
Past Remuneration	Rs. 2,00,000 per month
Recognition and awards	-
Job profile and his suitability	Given in the body of this statement
Remuneration proposed	As mentioned in the resolution
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Apart from receiving managerial remuneration and 5,10,800 shares, he does not have any other pecuniary relationship with the Company.

Comparative remuneration profile with respect to industry, size of company, profile of the position and person

During the last decade, vast changes has taken place in the method of production of shoes. New technologies have been developed and with the growing demand of stylish footwear and in the market and increased competition, it is also imperative for shoes manufacturing company to have highly experienced professionals having specialized knowledge and skills to understand and project the market trend, consumer behavior, growing demand and increasing competition in the market. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Mr. Ramesh Chander Mahajan (Managing Director) has successfully proved his expertise in very effective manner and drove the company towards the growth over the period of time. Hence, the Board of Directors considers that the proposed Commission payable to him is justified commensurate with other organisations of the similar type, size and nature in the shoe manufacturing industry.

III. Dther Information

1. Reasons of loss or inadequate profits: The Company earlier was engaged in manufacturing of Terry-Towel but its has changed its line of production and is now engaged in manufacturing of footwears. Due to this shift in line of production, there are inadequate profits.

2. Steps taken or proposed to be taken for improvement: The Company undertook several steps aimed at lowering the overheads and allgning resources with current levels of operations. The company consolidated all its manufacturing facilities to cut down on overheads and to extract supply chain synergies last year. The company continued to right size its employee base to current level of operations. The Company continues to focus on product innovation, upholding of its high quality standards, increase in its cost competitiveness and on widening of its distribution network. These steps are expected to positively impact the company's operations in the near to medium term.

3. Expected increase in productivity and profits in measurable terms: The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.

The above explanatory statement (together with annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

**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 : F-110, Industrial Area, Phase- VII, Mohali, Punjab-160055

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

Name:
Address:
Email ID:
Signature:....., or failing him

Name:
Address:
Email ID:
Signature:....., or failing him

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 Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 11.00 A.M at F-110, Industrial Area, Phase VII, Mohali (Punjab) and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO. RESOLUTIONS

- 1 Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors
- 2 Re-appointment of Mr. Amit Mahajan, retiring by rotation
- 3 Appointment of Auditors and fix their remuneration
- 4 Appointment of Mr. R K Bhandari as an Independent Director
- 5 Regularisation of Mrs. Seema Mahajan as an Independent Woman Director of the Company
- 6 Approval of Remuneration to Mr. R C Mahajan, Managing Director

Signed this day of, 2015

Signature of Shareholder:

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

**Twenty Sixth Annual General Meeting
September 30, 2015**

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

Folio No. _____
No of Share(s) held _____

DPID _____
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 Fifth Annual General Meeting of the Company held on Wednesday, the 30th day of September, 2015 at 11:00 a.m. at F 110, Industrial Area, Phase-VII, Distt. Mohali (Pb.)

Signature of the Member/Proxy

BOOK - POST

S .R. Industries Limited



Regd. Office & Works :
F-110, Industrial Area, Phase-VII,
Distt. Mohali (Punjab)

Phones : (01762) 506161 Fax : (01762) 280409