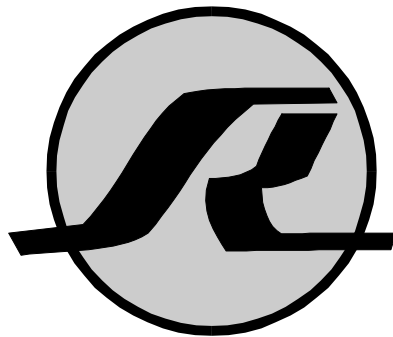


Thirtieth Annual Report

2018-19



S. R. INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. R. K. Bhandari
Chairman
DIN : 00354242

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

Mr. Amit Mahajan
Director (Operations)
DIN : 00038827

Mr. Amit Mahajan
Director (Commercial)
DIN : 00038593

Mrs. Seema Mahajan
Independent Director
DIN : 06978146

Mr. M. M. Puri
(resigned w.e.f 12th July, 2019)
Independent Director
DIN : 01711466

Mr. Udit Mayor
Additional Independent Director
DIN : 02425273

AUDIT COMMITTEE

Mr. R. K. Bhandari
Chairman

Mr. M. M. Puri
Member

Mr. Amit Mahajan
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. M.M. Puri
Chairman

Mr. R. K. Bhandari
Member

Mrs. Seema Mahajan
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mrs. Seema Mahajan
Chairman

Mr. Amit Mahajan
Director (Operations), Member

Mr. Amit Mahajan
Director (Commercial), Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Samandeep Kaur Arya

CHIEF FINANCIAL OFFICER

Mr. Amit Mahajan

STATUTORY AUDITORS

M/s NJ & Associates

BANKERS

State Bank of India
UCO Bank

REGD. OFFICE

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

WORKS

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

THIRTIETH ANNUAL GENERAL MEETING

19th day of September, 2019 i.e Thursday at 09.00 A.M. at the Registered Office of the Company at E-217, Industrial Area, Phase VIII B, Mohali.

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

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their THIRTIETH ANNUAL REPORT and the Audited Statement of Accounts for the year ended March 31, 2019.

FINANCIAL RESULTS

	2018-19	2017-18
	(Rs./lacs)	
Turnover	2524.04	3778.06
Other Income	92.13	33.97
Profit/(Loss) before interest, depreciation and taxation	(1267.92)	242.84
Financial expenses	(518.44)	(429.32)
Profit/(Loss) before depreciation & taxation	(1786.36)	(186.48)
Depreciation	(216.82)	(213.42)
-Deferred Tax	268.17	(7.69)
OTHER COMPREHENSIVE INCOME		
Re-measurement Gains/(losses) on defined benefit plans	8.54	19.23
Income Tax Effect	(2.22)	(5.94)
Net profit/(loss) after tax	(1728.69)	(394.30)
Earning per share (Rs.)		
- Basic/Diluted	(12.47)	(2.93)

FUTURE PROSPECTS

The board of directors inform that the company produced 0.73 Million pairs of shoes, sandals and other footwear during the current year as against 0.81 million pairs during the previous year. This decline is due to weak business environment as well as decline in performance of the company on account of the financial constraints being faced. The Company has faced this challenging scenario head on with constant efforts to improve the performance. At the same time the Company is looking at various possible solutions to overcome the financial constraints being faced. The Company is looking towards improved performance in the years to come.

STATE OF COMPANY'S AFFAIRS

The Company is currently facing a challenging scenario wherein the performance of the company has been adversely affected by the liquidity crunch. The company has not been able to service its loan obligations to the banks which has led to it being classified as an NPA. The Company is now in discussions with the bankers for restructuring of borrowings and other remedies to recall the notice received under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 from the State Bank of India. The liquidity position is expected to improve once the company can find a mutually acceptable solution with the banks, and this shall enable it to work towards improvement in performance.

DIVIDEND

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

TRANSFER TO RESERVES

The company has transferred loss of ₹17,28,69,212/- during the year to Reserves & Surplus

SHARE CAPITAL

The paid up Equity share capital as on 31st March, 2018 was ₹13.88 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity shares. Further, the Company had issued and allotted 47,00,000 Compulsorily Convertible Debentures of Rs. 10 each and 15,00,000 Compulsorily Convertible Warrants of Rs. 10 each during the year 2017-18. These Compulsorily Convertible Debentures and Compulsorily Convertible Warrants were due to be converted into equity shares on the completion of 15 months from the date of allotment i.e. on or before 18th January, 2019. The Compulsorily Convertible Debentures holders exercised their right of conversion before the last day of the due date of conversion. Their

Compulsorily Convertible Debentures were compulsorily converted into equity shares of the Company. The company allotted them 57,57,000 equity shares of Rs. 10/- each. The Company has filed listing approval with the Bombay Stock Exchange and the same is under process with the BSE

The Compulsorily Convertible Warrants holder did not exercise their right to convert their Compulsorily Convertible Warrants into equity till the last day of conversion, so their warrants were redeemed by the Company.

There is a change in the share capital to the extent of conversion of the debentures into equity shares of the company. The paid up Equity share capital as on 31st March, 2019 was 19.6457 Crore.

FINANCE

(a) Working Capital

The working capital limits stood at ₹21.94 crores as on 31st March, 2019.

(b) Term Loan

The term loans stood at ₹10.97 crores as on 31st March, 2019.

(c) Deposits

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

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

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

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business.

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

There are no material changes and commitments affecting financial position between the end of financial year and date of this report except to the extent that the company is continuing discussions with the bankers for restructuring of borrowings and other remedies to recall the notice received under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 from the State Bank of India.

FRAUDS REPORTED BY AUDITORS U/S 142(12)

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

SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

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

BUSINESS RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROL SYSTEM

Effective and strong internal control systems are developed in the Company for all major processes to ensure reliability of financial reporting, safeguarding of assets and economical and efficient use of resources as also the compliance of laws, regulations, policies and procedures etc. The Company's internal control systems are audited by Internal Auditors,

M/s Aaryaa & Associates, Chartered Accountants. The Internal Auditor independently evaluates the adequacy of internal controls and reviews major transactions. The Internal Auditor report is directly reported to the Audit Committee to ensure complete independence.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a "Whistle Blower Policy / Vigil Mechanism" to deal with the instance of fraud and mismanagement, if any. The details of the policy are posted on the website of the Company at www.srfootwears.com.

RELATED PARTY TRANSACTIONS

The details of the related party transactions are given in Form AOC-2 and is annexed herewith.

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

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

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of Company, Mr. Amit Mahajan, (DIN: 00038827), Director (Operations), shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Declarations pursuant to Section 149(6) of the Companies Act, 2013 have been submitted by all the Independent Directors.

BOARD EVALUATION

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

REMUNERATION POLICY

The current policy is to have an appropriate mix of executive and non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2019, the Board had six members, three of whom are executive directors and three independent directors. One of the independent directors of the Board is a woman director.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at www.srfootwears.com.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

MEETINGS

During the year, seven board meetings were held on 27th April, 2018, 30th May, 2018, 14th August, 2018, 14th November, 2018, 15th January, 2019, 14th February, 2019 and 29th March, 2019. The attendance of directors and the details thereof are provided in the Corporate Governance Report

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year Calendar Year 2018:

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures;
- ii) Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the company for the year ended on that date;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis;
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is annexed at **Annexure 1** herewith the report.

AUDITORS

1. STATUTORY AUDITORS

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

2. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R. P. S. Khurana & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed at **Annexure 2** forming part of this report.

MANAGEMENT'S REPLY ON QUALIFICATIONS BY AUDITORS

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

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

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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. 102 Lakhs per year 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. 102 Lakhs during the financial year 2018-19.

The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the remuneration policy of the Company.

The maintenance of cost records as specified under section 148(1) of the Companies Act, 2013, is not applicable on the Company and accordingly such accounts and records are not made and maintained.

The extract of Annual Return in the Form MGT-9 as required pursuant to Section 92(3) read with Companies (Management and Administration) Rules, 2014 is placed at the website of the Company at www.srfootwears.com .

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable on the Company.

Your Directors convey their sincere thanks to the various agencies of Central and State Governments, Banks and other concerned agencies for all the assistance and cooperation extended to the Company. The Directors also deeply appreciate and acknowledge the trust and confidence the vendors, suppliers, dealers, customers, shareholders, investors reposed in the Company. Your directors also place on record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company.

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- (a) Name(s) of the related party and nature of relationship: NIL

- | | | |
|---|--|--|
| Particulars | Transactions details | Transactions details |
| (a) Name(s) of the related party and nature of relationship: | Mr. Munish Mahajan
Brother to Mr. Amit Mahajan, Director (Commercial) | Universal Cyber Infoway Pvt. Ltd.
The Managing Director of S. R. Industries Limited is a Director on the Board of Universal Cyber Infoway Pvt. Ltd. |
| (b) Nature of contracts/arrangements/ transactions: | Employment | Unsecured loan |
| (c) Duration of the contracts / arrangements/ transactions: | Permanent employment | One time |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | General terms of employment as applicable on other employees. | Unsecured loan |
| (e) Date(s) of approval by the Board, if any: | 30.05.2018 | 30.05.2017 |
| (f) Amount paid as advances, if any: | Nil | Nil |

Annexure 1

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

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.
- 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.
 - Company has installed multi fuel boiler to minimize energy consumption and works towards environmental conservation**
 - Total energy consumption and energy consumption per unit of production as per Form A**

Form for disclosure of particulars with respect to conservation of energy

A) POWER AND FUEL CONSUMPTION

2	OWN GENERATION		
	Through Diesel Generator		
	Unit (in Lacs)	0.23	0.29
	Unit/Ltr. of Diesel Oil	3.10	3.10
	Average Cost/Unit(Rs.)	21.92	18.54
3	WOOD		
	Wood (M.T.)	315.28	785.34
	Total Amount (Rs/Lacs)	11.00	26.21
	Average Rate (Rs/M.T.)	3.49	3.33

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2018-19	2017-18
1	Footwear (Million Pairs)	0.73	1.81
2	Electricity (KwH/Pairs)	1.43	1.51
3	Diesel (Ltr./Pairs)	0.02	0.02
4	Pet Coke/ Wood (M.T./Pairs)	0.001	0.001

2. TECHNOLOGY ABSORPTION

A. Research & Development (R&D)

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

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

b. Benefits derived as a result of R & D

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

c. Future plan of action

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

d. Expenditure on R & D

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

B. Technology absorption, adaptation and innovation

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

2. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company is continuously expanding its overseas market base 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	2018-19	2017-18
			(Rs./lacs)
1	Foreign Exchange earned (including deemed exports)	0.00	39.83
2	Foreign exchange used	27.17	91.30
3	Net Foreign Exchange earned	(27.17)	(51.47)

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

To,
The members,
S R Industries Ltd

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by S R Industries 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 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31 March 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (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 & Transboundary Movement) Rules, 2008
21. The Water (Prevention and Control of Pollution) Act, 1974
22. The Air (Prevention and Control of Pollution Act, 1981
23. The Income-tax Act, 1961
24. The Central Goods and Services Tax Act, 2017
25. The Integrated Goods and Services Tax Act, 2017

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:

S. R. Industries Limited

Annual Report 2018-19

1. There was delay in depositing provident fund as applicable to Company under the Employees Provident Fund and Misc. Provisions Act, 1952 due to shortage of Funds.
2. There was delay in depositing the amount under Employees' State Insurance Act, 1948 due to shortage of Funds.
3. As per the information provided to us no record has been maintained for half yearly / annual returns under Factories act, 1948 and Payment of Bonus Act, 1965
4. There is delay in filing GST returns under The Central Goods and Services Tax Act, 2017 and The Integrated Goods and Services Tax Act, 2017.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. 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/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

I further report that during the period under audit the Company allotted Equity Shares to the holders of the CCDs (Compulsorily Convertible Debenture) those were due to be converted as per allotment agreement.

Place: Chandigarh
Date : May 21, 2019

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

Annexure I

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

- a) Maintenance of various statutory registers and documents and making necessary entries therein.
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies.
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies.
- e) Notice of Board meetings and Committee meetings of Directors.
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation.
- g) The 29th Annual General Meeting held on 27th September 2018.
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings.
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required.
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors.
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors.

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

Place: Chandigarh
Date : May 21, 2019

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

Annexure II

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

1. There was delay in depositing provident fund as applicable to Company under the Employees Provident Fund and Misc. Provisions Act, 1952 due to shortage of Funds.
2. There was delay in depositing the amount under Employees' State Insurance Act, 1948 due to shortage of Funds.
3. As per the information provided to us no record has been maintained for half yearly / annual returns under Factories act, 1948 and Payment of Bonus Act, 1965.
4. There is delay in filing GST returns under The Central Goods and Services Tax Act, 2017 and The Integrated Goods and Services Tax Act, 2017.

Place: Chandigarh
Date : May 21, 2019

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

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The present strength of the Board is six directors. The Board comprises of the optimum combination of executive and non-executive directors. Three Directors including the Managing Director are Whole Time Directors (Executive Directors). There are three Non-Executive Independent Directors including the Chairman and a Woman Director. The elaborate composition of the Board including the number of directorships & Committee Positions held by each of the director is given hereunder:

S. R. Industries Limited

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Sl. No	Name of Director	Category	No. of Board Meeting(s) attended	Attendance at Previous AGM held on September 27, 2018	No. of Directorship(s) held*		No. of Committee/Memberships*	
					As Director	As Chairman	As Chairman	As Member
1.	Mr.R.K.Bhandari (DIN 00354242)	Non-Executive & Independent	3	NO	3	1	1	1
2.	Mr.R.C.Mahajan (DIN 00038661)	Managing Director	7	YES	2	–	–	–
3.	Mr.Amit Mahajan (DIN 00038593)	Whole-time Director	7	YES	4**	–	–	2
4.	Mr.Amit Mahajan (DIN 00038827)	Whole-time Director	7	YES	1	–	–	1
5.	Mr.M.M. Puri (DIN 01711466)	Non-Executive & Independent	4	YES	1	–	1	1
6.	Mrs.Seema Mahajan (DIN 06978146)	Non-Executive & Independent	5	YES	1	–	1	1

* Including this entity.

**Mr. Amit Mahajan is a non executive Director on the Board of one listed company namely, Gulmohar Investments and Holdings Limited.

Except Mr. Amit Mahajan, none of the Directors is a director of any other listed company.

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

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

MEETING OF INDEPENDENT DIRECTORS

During the the year under review, the Independent Directors met on November 14, 2018, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting. The Independent Directors were provided with necessary documents, reports, policies to enable them to familiarize with the Company's procedures and practices. Detailed presentation on the Company's business segments was made at the meeting of the Independent Directors.

BOARD MEETINGS AND ATTENDANCE

During the financial year 2018-19 Board Meetings were held on the following dates –

Date of Meeting	Particulars of Board Meeting	Board Strength	No. of Directors Present
April 27, 2018	192nd	6	3
May 30, 2018	193rd	6	4
August 14, 2018	194th	6	6
November 14, 2018	195th	6	5
January 15, 2019	196th	6	5
February 14, 2019	197th	6	5
March 29, 2019	198th	6	5

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

Core skills /expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board along with the Directors who possess such skills / expertise/ competencies is as follows:

Names of Directors/ Skills/ expertise/ competencies	Creative eye	Technical knowledge of the product	Managing Staff	Marketing
Mr. R. K. Bhandari	9	10	8	6
Mr. R. C. Mahajan	10	10	10	10
Mr. Amit Mahajan				
Director- Operations	10	10	10	10
Mr. Amit Mahajan				
Director- commercial	10	10	10	10
Mr. M. M. Puri				
(resigned w.e.f 12th July, 2019)	8	7	10	8
Mrs. Seema Mahajan	8	6.5	8	8

The above points are allotted to the directors out of 10 basis points.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

The Board of Directors has confirmed that in their opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

RESIGNATION OF INDEPENDENT DIRECTOR(S)

No Independent Director resigned from the Board of the Company during the year under review.

BOARD COMMITTEES

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

AUDIT COMMITTEE

Composition of Committee

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

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the erstwhile applicable Clause 49 of the Listing Agreement. The Audit Committee of the Company has such powers as are detailed in Section 177 of the Companies Act, 2013

and provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the committee are qualified, experienced and professional having knowledge in industry, finance, project monitoring, company law and other related matters.

Powers of the Audit Committee:

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

TERMS OF REFERENCE OF AUDIT COMMITTEE:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
3. Approval for payment to statutory auditors for any services rendered by the statutory auditors
4. Reviewing, with management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Modified opinion(s) in the draft auditor's report
5. Reviewing, with management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or a rights issue, making appropriate recommendations to the board to take up steps in this matter
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
8. Approval or any subsequent modification of transactions of the listed entity with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing, with management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with internal auditors of any significant findings and follow up thereon
15. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18. To review the functioning of the whistle blower mechanism

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the following information:
 - a) The Management discussion and Analysis of the financial condition and results of operations
 - b) Statement of significant related party transactions submitted by management
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors
 - d) Internal audit reports relating to internal control weaknesses
 - e) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
 - f) Statement of deviations:
 - (i) Quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

MEETING DETAILS:

During the year under review, the Audit Committee met four times on 30th May 2018, 14th August 2018, 14th November 2018 and 14th February 2019. The attendance at the Audit Committee Meetings is as follows:

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. R. K. BHANDARI	4	4
MR. M. M. PURI	4	4
MR. AMIT MAHAJAN	4	4

> NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of:

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

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

TERMS OF REFERENCE OF THE COMMITTEE:

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

RESPONSIBILITIES OF THE COMMITTEE:

1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board
2. Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company
3. Recommending to the Board on the selection of individuals nominated for directorship

4. Making recommendations to the Board on the remuneration payable to the Directors / KMPs / Senior officials so appointed / re-appointed
5. Assessing the independence of the Independent directors
6. Such other key issues / matters as may be referred by the Board or as may be necessary in view of the Listing Regulations and provisions of the Companies Act, 2013 and rules framed thereunder
7. To make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of services of an Executive director as an employee of the Company subject to the provisions of the law and their service contract
8. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
9. To devise a policy on Board diversity
10. To develop a succession plan for the Board and to regularly review the plan.

MEETING DETAILS

During the year under review, the Nomination and Remuneration Committee met one time on 14th August 2018.

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. M. M. PURI, Independent Director	1	1
MR. R. K. BHANDARI, Chairman	1	1
Ms. SEEMA MAHAJAN, Independent Director	1	1

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria of Independent directors is laid in the Nomination, Remuneration and evaluation Policy formulated by the Nomination and Remuneration Committee and approved by the Board. The afore-mentioned policy is placed on the website of the company at www.srfootwears.com.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee comprises of:

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

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

NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Samandeep Kaur Arya - Company Secretary cum Compliance Officer

DETAILS OF SHAREHOLDERS' COMPLAINTS

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

REMUNERATION OF DIRECTORS

1. **PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED ENTITY**
There were no pecuniary transactions of the non-executive directors of the company vis-à-vis the company.
2. **CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS**
Non-executive directors are only paid sitting fees for attending board or committee meetings, if any.
3. **ADDITIONAL DISCLOSURES**
 - a) All elements of remuneration package of individual directors summarized under major groups have been provided in MGT-9 is placed on the website of the company at www.srfootwears.com

- b) Details of fixed component and performance linked incentives are nil.
- c) No service contract has been entered with the respective individuals. However, their appointment is valid for 5 years from the date of appointment. Further, no severance fees is paid to any director.
- d) No stock options have been issued by the company.

DISCLOSURES OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

1. REGULATION 17 – BOARD OF DIRECTORS

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

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

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

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

The performance evaluation of independent directors has been done by entire Board of directors excluding the director being evaluated in its 199th Meeting held on 30th May 2019.

2. REGULATION 18 – AUDIT COMMITTEE

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

3. REGULATION 19 – NOMINATION & REMUNERATION COMMITTEE

The company has constituted the nomination and remuneration committee as per the requirements of Companies Act, 2013 and Listing regulations. The details of the committee are also disclosed in the Corporate Governance Report. The Chairperson of the NRC was present at the 29th AGM of the Company.

4. REGULATION 20 - STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

5. REGULATION 21 – RISK MANAGEMENT COMMITTEE

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

6. REGULATION 22 – VIGIL MECHANISM

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

7. REGULATION 23 – RELATED PARTY TRANSACTIONS

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

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

The provisions of this regulation are not applicable to the company

as company does not have any subsidiary.

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

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

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

Disclosures pursuant to Regulation 26 have been received by the company from the directors and senior management as applicable and the same has been taken on record by the Board in its 199th Meeting held on 30th May 2019.

11. REGULATION 27 – OTHER CORPORATE GOVERNANCE REQUIREMENTS

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

12. REGULATION 46(2) – WEBSITE

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

GENERAL BODY MEETINGS

Date	Particulars	Time	Location	Special Resolution passed
27.09.2018	29 th Annual General Meeting for the Financial Year 2017-18	09.00 A. M.	E-217, Ind. Area, Phase 8-B, Mohali	Yes
18.09.2017	28 th Annual General Meeting for the Financial Year 2016-17	09.00 A. M.	E-217, Ind. Area, Phase VII, Mohali	Yes
29.09.2016	27 th Annual General Meeting for the Financial Year 2015-16	09.00 A. M.	F-110, Ind. Area, Phase VII, Mohali	Yes

An Extra Ordinary General Meeting of the Company was held on 8th February, 2019 at 11.00 am at the Registered office of the Company at E-217, Industrial Area, Phase 8B, Mohali.

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

MEANS OF COMMUNICATION

i) Quarterly Results

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

ii) Newspapers wherein results normally published

Financial Express – all editions and Rozana Spokesman/Desh Sewak

iii) Website where displayed

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

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

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

DISCRETIONARY REQUIREMENTS

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

a) The Board

The Chairman of the company is a non-executive director but he

doesn't hold any office at the company's expense or receives any reimbursement of expenses incurred in performance of his duties.

b) Shareholder Rights

The Company does not send any half yearly declaration of financial performance including summary of the significant events in last six months to shareholders separately. However, the company publishes the results for the half year end and quarterly results in the newspapers as detailed above and the same are also available at the Company's website at www.srfootwears.com and the BSE's website.

c) Modified opinion(s) in audit report

The Company's financial statements for the financial year ending 31st March 2019 does not contain any audit qualification and thus, unmodified auditor's report has been submitted. A declaration to this effect has also been submitted by the company to the stock exchange duly signed by the CFO of the company in compliance with the SEBI circular no. CIR/CFD/CMD/56/2016 dated 27th May 2016.

d) Separate posts of chairperson and chief executive officer

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

e) Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER'S INFORMATION

1. ANNUAL GENERAL MEETING

The Thirtieth Annual General Meeting of the Company is scheduled to be held on Thursday, the 19th day of September, 2019 at 09.00 A.M. at the Registered Office of the Company at E-217, Industrial Area, Phase-8 B, Mohali, Punjab.

2. FINANCIAL YEAR

The Financial Year for which the Report / Accounts pertain is from 1st April, 2018 to 31st March, 2019.

3. DIVIDEND PAYMENT DATE

No dividend has been recommended by the Company.

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

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

5. CONFIRMATION OF PAYMENT OF ANNUAL LISTING FEE

The Annual Listing fee for the financial year 2018-19 has been paid to the Bombay Stock Exchange (BSE).

6. STOCK CODE-

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

7. MARKET PRICE DATA (BSE)

MONTH	HIGH PRICE (₹)	LOW PRICE (₹)
April, 2018	30.15	24.85
May, 2018	28.2	13.45
June, 2018	13.19	9.62
July, 2018	11.96	10.2
August, 2018	15.3	10.02
September, 2018	10.37	6.85
October, 2018	7.51	5.25
November, 2018	7.65	6.51
December, 2018	7.55	5.1
January, 2019	7.35	4.5
February, 2019	6.01	4
March, 2019	5.39	4.15

Stock Performance of S. R. Industries Ltd. on BSE vis-à-vis BSE Sensex during the year 2018-19

S. R. Industries Limited

Annual Report 2018-19

8. REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor, C-1 Block,
LSC, Near Savitry Market, Janakpuri,
New Delhi – 110058
Tel: 011-41410592-94, Fax: 011-41410591
Email: delhi@linkintime.co.in

9. SHARE TRANSFER SYSTEM

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

8. DISTRIBUTION OF SHAREHOLDING

SHARE HOLDINGS	NO. OF SHARE HOLDERS	% OF TOTAL	SHARES	% OF TOTAL
1-500	8639	84.59	1687477	12.13
501-1000	706	6.91	626658	4.50
1001-2000	313	3.06	512849	3.69
2001-3000	128	1.25	337285	2.42
3001-4000	69	0.68	252453	1.81
4001-5000	83	0.81	399277	2.87
5001-10000	117	1.15	940645	6.76
Above 10001	158	1.55	9159356	65.82
Total	10213	100	13916000	100

9. DEMATERIALISATION OF SHARES AND LIQUIDITY

The details of paid up capital as on 31st March 2019 is as under:

MODE OF HOLDING	NO. OF SHARES	PERCENTAGE
NSDL	8264680	59.39
CDSL	3938310	28.30
PHYSICAL	1713010	12.31
TOTAL	13916000	100

The ISIN of the Company is INE329C01011. As on 31st March 2019, 87.69 % equity shares were dematerialized in the two depositories – NSDL and CDSL. The details of the equity shares issued on conversion of Compulsorily Convertible Debentures is not given above because the Company has filed listing approval with the Bombay Stock Exchange and the same is under process with the BSE

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

The Company has no outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2019.

13. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

14. PLANT LOCATIONS

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

15. ADDRESS FOR CORRESPONDENCE

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

16. CREDIT RATINGS

Not applicable

OTHER DISCLOSURES

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

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

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

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

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

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

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

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

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

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

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

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

- g) **Disclosure of commodity price risks and commodity hedging activities**

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

- h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not applicable

- i) **a certificate from a practicing company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is appended hereunder:**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
S. R. Industries Limited
(CIN: L29246PB1989PLC009531)
Regd. Office: E-217, Industrial Area,
Phase 8B, Mohali, Punjab – 160071

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of S. R. Industries Limited having CIN: L29246PB1989PLC009531 and having registered office at E-217, Industrial Area, Phase 8B, Mohali, Punjab – 160071 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of the Director	DIN No.	Date of Appointment
Mr. R.K. BHANDARI	00354242	01/10/2005
Mr. R.C. MAHAJAN	00038661	19/07/1989
Mr. AMIT MAHAJAN	00038827	01/09/2006
Mr. AMIT MAHAJAN	00038593	19/05/1997
Mr. M.M.PURI	01711466	31/10/2007
Mrs. SEEMA MAHAJAN	06978146	10/11/2014

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

Place: Chandigarh

Date: July 16, 2019

Sd/-

Sanjeev Kumar Goel
Membership No.: FCS 2107
CP No.: 1248

(j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:

There was no such instance during the financial year under review.

(k) The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

M/s N. J. & Associates were paid a total sum of Rs. 1,29,800/- during the financial year under review.

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaimed.

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

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all members of the board of directors and senior management personnel have affirmed the compliance with the code of conduct of board of directors and senior management for the year ending 31st March, 2019.

Place: Mohali

Date: May 30, 2019

For S. R. Industries Ltd

Sd/-

(R. C. Mahajan)
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE TO

THE MEMBERS OF S. R. INDUSTRIES LTD

I have examined the compliance of conditions of Corporate Governance by S R Industries Ltd ("the Company"), for the financial year ended 31st March, 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [applicable w.e.f. 1st December, 2015]. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

Sd/-

Sanjiv Kumar Goel
C. P.: 1248

Date: July 16, 2019

Place: Chandigarh

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

To,

The Board of Directors

S R Industries Ltd

- We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- We have indicated to the Auditors and the Audit Committee:
 - That there are no significant changes in internal control over financial reporting during the year,
 - That there were no significant changes in accounting policies during the year, and
 - That there were no instances of significant fraud of which we have become aware.

Sd/-

(R. C. Mahajan)
Managing Director
DIN: 00038661

Sd/-

(Amit Mahajan)
Chief Financial Officer
DIN: 00038593

MANAGEMENT DISCUSSION AND ANALYSIS REPORT OVERVIEW

1) INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian footwear industry holds a crucial place in the Indian economy for its potential for employment, especially for weaker sections of the society and for supporting economy through its foreign exchange earnings. This sector has been showing good growth in the past few years due to ready availability of raw materials and manpower. India is the second largest global producer of footwear after China. India's

annual footwear consumption is the third largest globally after China and USA and has recorded a healthy growth over the past decade driven by rise in income levels, higher disposable income, growing fashion consciousness and increasing discretionary spending. The same has also led to a change in perception of the footwear industry from a basic need based industry to a fashion style industry. However, the average per capita footwear consumption in India continues to be low in comparison to the global average consumption and developed countries average. This gap coupled with increasing disposable income, rising middle class and changing consumer preferences provide a tremendous opportunity for the Indian footwear market to grow at a rapid pace going forward.

The Indian footwear industry is highly fragmented with almost 15000 small and medium enterprises operating largely in the unorganized segment; and limited presence of organized segment. The competitive intensity is high between the two segments and currently, both are estimated to have an equal share of the overall domestic market in value terms. Though, unorganized segment dominates the market in sales volumes due to its presence majorly in the low cost rubber / plastic footwear. Unorganized sector gains its prominence in the Indian context due to its price – competitive products which are more suitable and attractive to the price conscious Indian consumer. Their products are cheaper due to involvement of cheap household labour, lax implementation of tax & labour laws and limited investment in assets. Further, with almost 2/3rd of India's population covered under the food security bill which aims to provide daily nutrition needs to an individual at subsidized prices, such category of population presents a huge market for the unorganized sector to cater to. Nevertheless, with increasing brand consciousness amongst Indian consumers, influx of large number of global brands and increasing penetration in Tier – II and III cities by the organized footwear companies, organized players' market share has made significant gains in the recent past and it continues to be on an uptrend. The Footwear Industry further underwent a dramatic structural shift in the past year with the implementation of the new GST tax structure. The GST regime has expedited the shift from unorganized to the organized sector, and many unorganized players are being forced to either close down, or accept the shift into organized trade. Your Company, being a part of the organized sector, stands to benefit from this trend in the long term, even though there is short term pain due to the changes in business environment.

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

II) OPPORTUNITIES AND THREATS

As eyed in the 19th UTIC International Technical Footwear Congress,

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

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

The Company continues to invest in Research and Development to be in a position to further substitute higher value imported footwear with its own manufacturing. The greatest opportunity continues to be the growing Indian footwear market where the demand for Branded footwear is rising rapidly. This demand is further increased by the potential for greater import substitution of expensive imported product with indigenously manufactured products. Furthermore, international sports brands are continuing to make an entry into the Indian market to sell their products, and the Company is working towards establishing relationships with new brands to increase its business prospects. There is a growing opportunity for the overseas footwear manufacturers to tap the increasing potential in India for sale of footwear. Thus, the Company is also witnessing interest from foreign buyers and is exploring opportunities for exports which will give further boost to these sales.

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

The liquidity shortage currently being faced by your company is a threat to the overall performance. The Company stands to lose out on profitable orders or may be unable to execute the orders in a timely manner due to shortage of funds. This can have a negative effect on future prospects as well as current functioning of the organisation. The management recognizes this threat and is working on remedial measures to combat this situation. The management remains confident and positive towards finding a suitable solution to this threat.

III) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

IV) OUTLOOK

The outlook for the company remains positive. The present order book position of the company is healthy and management remains confident in its ability to improve progressively. The Company is continuing its efforts to broaden the customer base and increase its product range.

V) RISKS AND CONCERNS

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

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

VI) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has established control system to ensure that-

- Assets are adequately protected
- Transactions are authorized, recorded and reported correctly
- Operations are conducted in an efficient and cost effective manner complying with the applicable laws

A qualified independent audit committee of the board of directors also reviews the internal audit and adequacy of internal controls.

VII) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gross turnover during 2018-19 decreased from 37.78 Cr. in 2017-18 to 25.24 Cr. The company during the year sold 0.77 million pairs as against 0.83 million pairs of footwear during last year. The production during the financial year was 0.73 million pairs of footwear as against 0.81 million pairs during previous year.

The duty drawback not received during the year was 6.08 lacs consistent with the previous year figures. Further, rigorous monitoring of operating overhead remained under control

Profit/(Loss) before depreciation, interest and taxation during the financial year decreased from 242.84 lacs to (1267.92) lacs. The depreciation for the year was 216.83 lacs as against 213.42 lacs during last year. The financial expenses during the year 2018-19 increased from 429.32 lacs to 518.44 lacs.

The loss before tax during the year is 1728.69 lacs as against a loss 394.31 lacs in the previous year.

The Earning per share (EPS) during the year was (12.47) as compared to (2.93) for last year. The diluted EPS of (12.47) was arrived at by conversion of the weighted average no. of shares that were issued on conversion of convertible debentures on account of requirements of the accounting standards.

The company has posted a net loss of 1728.69 lacs during the year as against net loss of 394.31 lacs during last year.

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

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

As on 31st March, 2019, the company employed 141 employees.

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

IX) SAFE HARBOUR

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

X) SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	FY 2017-18	FY 2018-19	YoY Change
Debtors Turnover (times)	2.80	2.24	-0.56

Inventory Turnover (times)	1.29	2.09	0.80
Interest Coverage Ratio (times)	0.60	-1.91	-2.51
Current Ratio	0.86	0.55	0.31
Debt Equity Ratio	2.65	1.96	-0.69
Operating Profit Margin (%)	-10.49%	-76.57%	-66.08%
Net Profit Margin (%)	-10.34%	-66.07%	-55.73%

Explanation: The inventory turnover ratio has improved from 1.29 to 2.09 in the current year. The improvement has come about on account of recognition and write-off of slow moving inventory. Interest coverage ratio has declined on account of reduced profitability. Current Ratio decline is also on account of recognition and write-off of slow moving inventory. Debt equity ratio has improved due to enhancement of equity on account of conversion of CCDs into equity shares. Operating profit margin and net profit margins have declined due to the higher losses being incurred by the company.

XI) CHANGE IN RETURN ON NET WORTH

Particulars	FY 2017-18	FY 2018-19	YoY Change
Return on Net Worth (times)	0.28	0.88	0.60

Explanation: Return on Net Worth has eroded due to the losses being faced by the company.

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results. : NA

Independent Auditor's Report

To
The Members of
S.R INDUSTRIES LTD.

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **S.R. Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date, read with **Annexure "A" and "B"** of our report.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters, which is our professional judgement, were of most significance in the Audit of financial statements of current period and these matters were addressed in the context of audit of financial statements as a whole and Auditor does not provide a separate opinion on these matters.

1. Going Concern

As per details provided in the following paragraph, we are unable to comment on the ability of the company to continue as going concern.

Going Concern

The Company has Accumulated losses of Rs. 1728.69 lacs (Previous year Rs. 394.31 lacs) as at March, 2019 resulting in Negative Net Worth of Rs. 1527.69 lacs (Previous Year Rs. 412.25 lacs). The Company's Current Liabilities exceed its Current Assets by Rs. 2123.65 lacs (Previous Year Rs. 556.82) as of that date. The Banks have classified the accounts of the Company as NPA and issued notice under SARFAESI Act, 2002. The Turnover of the Company has gone down from Rs. 3778.06 lacs to Rs. 2524.04 lacs. These factors raise doubts about the survival of the Company and in view of the mentioned uncertainties, we are unable to comment on the ability of the Company to continue as a Going Concern.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company

in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial

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- reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For NJ & ASSOCIATES,
Chartered Accountants

Place: Chandigarh
Date: 30.05.2019

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

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

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

We have audited the internal financial controls over financial reporting of **S.R. Industries Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls

over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NJ & ASSOCIATES
Chartered Accountants
(CA SHENU AGGARWAL)
PARTNER
MNO.527267
FRN: 023083N

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to

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us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. As per the management, no discrepancies were noticed on verification between the physical stocks and the book records.
- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has advanced Rs. 3,69,42,284 to parties in preference to section 185 & 186 of The Companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- i. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, with certain delays, the dues including, Income Tax, Goods and Service Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) Further, as at 31st March 2019, there are no dues outstanding for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

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

- viii. The Company has defaulted in repayment of loans/borrowing to banks. The accounts of the Company have been classified as NPA and the notice calling to pay the outstanding under SARFAESI has been issued.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the

related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NJ & ASSOCIATES
Chartered Accountants

Place: Chandigarh
Date: 30.05.2019

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

S. R. Industries
L i m i t e d
Annual Report 2018-19

BALANCE SHEET AS AT MARCH 31, 2019

S.N.	PARTICULARS	NOTES	AS AT 31.03.2019 (Rs.)	AS AT 31.03.2018 (Rs.)
	ASSETS			
(A)	Non-Current Assets			
I	Property, Plant and Equipment	3	20,20,55,642	21,94,42,920
II	Financial Assets			
	Security Deposits	4	14,59,215	14,59,215
(B)	CURRENT ASSETS			
I	Inventories	6	6,75,64,787	18,00,76,407
II	Financial Assets			
a)	Trade Receivables	7	9,96,86,675	12,59,63,688
b)	Cash & Cash Equivalents	8	13,05,072	10,26,971
c)	Bank Balance other than (b) above	8	9,87,939	9,26,829
d)	Loans & Advances	4	3,69,42,284	4,63,59,115
e)	Others	9	1,44,64,026	1,26,22,735
III	Prepayments	5	-	34,000
	Assets held for sale/Assets included in disposal			
	group(s) held for sale			
	TOTAL ASSETS		42,44,65,640	58,79,11,880
	EQUITY AND LIABILITIES			
(C)	Equity			
i)	Equity Share Capital	10	19,64,57,000	13,88,82,000
ii)	Other Equity			
a)	Equity Components of Compound			
	Financial Instruments	11	9,81,11,062	9,81,11,062
b)	Reserve & Surplus		(46,46,05,788)	(29,17,36,577)
c)	Other Reserves		1,72,68,900	1,35,18,900
(D)	Liabilities			
	Non-Current Liabilities			
i)	Financial Liabilities			
	Borrowing	12	8,88,96,178	12,72,66,721
ii)	Provisions	13	66,89,103	77,44,959
iii)	Deferred Income	14	1,29,42,129	1,26,27,329
iv)	Deferred Tax Liabilities (Net)	15	86,01,449	3,51,96,777
v)	Other Non-Current Liabilities	16	2,67,89,519	2,36,08,805
	Current Liabilities			
i)	Financial Liabilities			
a)	Borrowing	12	21,94,09,506	22,86,12,100
b)	Trade Payables	17	9,41,02,165	7,93,55,205
c)	Other Financial Liabilities	12	10,97,32,861	10,29,12,934
ii)	Provisions	13	85,74,286	75,32,594
iii)	Deferred Income	14	14,97,270	42,79,071
	Total Equity Liabilities		42,44,65,640	58,79,11,880

The accompanying notes are an integral part of these financial statements

sd/-
SAMANDEEP KAUR ARYA
Company Secretary

For and on behalf of Board of Directors of S.R. Industries Limited
sd/-
AMIT MAHAJAN
Director-Commercial
& Chief Financial Office

sd/-
R. C. MAHAJAN
Managing Director

As per report of even date attached
For **NJ & ASSOCIATES**
Chartered Accountants
sd/-
(CA SHENU AGGARWAL)
Partner
Membership No. 527267
FRN 023083N

Place : Chandigarh.
Date : May 30, 2019

S. R. Industries
L i m i t e d
Annual Report 2018-19

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

S.N.	PARTICULARS	NOTE No.	31.03.2019 (Rs.)	31.03.2018 (Rs.)
	Continuing Operations			
	Revenue from Operations	18	25,24,03,617	37,78,06,389
	Other Income	19	92,12,879	33,97,496
	Total Income		26,16,16,496	38,12,03,885
	Expenses			
	Cost of Raw Material and Components Consumed	20	20,67,43,563	22,32,85,067
	(Increase)/Decrease in inventories of finished goods,			
	Work in progress and traded goods		5,25,39,236	87,64,497
	Employee Benefits Expense	21	4,58,04,681	8,87,11,965
	Depreciation and amortization Expense	3	2,16,82,896	2,13,42,085
	Finance Cost	22	5,18,44,198	4,29,31,933
	Other Expenses	23	8,33,20,714	3,61,58,642
	Total Expenses		46,19,35,288	42,11,94,189
	Profit/(Loss) before exceptional items and Tax from continuing operations		(20,03,18,792)	(3,99,90,304)
	Exceptional items	-	-	-
	Profit/(Loss) before tax from continuing operations		(20,03,18,792)	(3,99,90,304)
	1) Current Tax	-	-	-
	2) Adjustment of Tax relating to earlier periods	-	-	-
	3) Deferred Tax		(2,68,17,434)	7,69,467
	Income Tax Expense:		(2,68,17,434)	7,69,467
	Profit/ (Loss) for the year		(17,35,01,358)	(4,07,59,771)
	Other Comprehensive Income			
	Re-measurement Gains/(Losses) on defined benefit plans		8,54,252	19,23,650
	Income Tax effect		(2,22,106)	(5,94,408)
			6,32,146	13,29,242
	Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods		6,32,146	13,29,242
	Other Comprehensive Income for the year, Net of Tax		6,32,146	13,29,242
	Total Comprehensive Income for the year, Net of Tax attributed to :		(17,28,69,212)	(3,94,30,529)
	Profit for the year		(17,35,01,358)	(4,07,59,771)
	attributed to :			
	Equity holders of the parent			
	Non-controlling interest		(17,35,01,358)	(4,07,59,771)
	Total comprehensive income for the year		(17,28,69,212)	(3,94,30,529)
	Earnings per Equity Share for Profit from continuing operations attributable to owner of S.R. Industries Limited:			"
	Basic Earnings per Share		(12.47)	(2.93)
	Diuted Earnings per Share		(12.47)	(2.93)

Significant Accounting Policies

2

Notes of Accounts

The accompanying notes are an integral part of these financial statements

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

sd/-
SAMANDEEP KAUR ARYA
Company Secretary

sd/-
AMIT MAHAJAN
Director-Commercial
& Chief Financial Office

sd/-
R. C. MAHAJAN
Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHENU AGGARWAL)

Partner

Membership No. 527267

FRN 023083N

Place : Chandigarh.

Date : May 30, 2019

**S. R. Industries
Limited**
Annual Report 2018-19

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2019

(Rs./Lacs)

Particulars	Note	31.03.2019	31.03.2018
Cash Flow from Operating Activities			
Profit Before Tax		(20,03,18,791)	(3,99,90,304)
Adjustment for Reconcile Profit before Tax to Net cash Flow :-			
Add :-			
Deprecation & amortisation Expense	3	2,16,82,896	2,13,42,085
Interest Income	19	(17,47,900)	(1,89,522)
Finance Costs	22	5,18,44,198	4,29,31,933
Liabilities/Provisions Written back due to Actuarial Gain/(Loss)		8,54,252	19,23,650
		7,26,33,446	6,60,08,146
Operating Profit before working capital adjustments		(12,76,85,345)	2,60,17,842
Working Capital Adjustments			
Trade & other receivables and prepayments		3,38,86,553	(4,54,393)
(Increase)/Decrease in Inventories	6	(11,25,11,620)	(19,90,294)
Increase/(Decrease) Trade and other payables and Provisions		1,54,46,508	(6,24,61,249)
		16,18,44,681	(6,49,05,936)
Cash Generated from Operations		3,41,59,336	(3,88,88,094)
Taxes (Paid)/Refund		-	-
Net Cash from Operating activities		3,41,59,336	(3,88,88,094)
Cash Flow from Investing Activities			
Purchase of Property, plant & Equipments (PPE)	3	(42,95,618)	(73,37,944)
Proceeds from fixed deposits matured during the year	8	(61,110)	21,46,195
Interest Income	19	17,47,901	1,89,522
Net Cash used in Investing Activities :		(26,08,827)	(50,02,227)
Cash Flow from Financing Activities			
Increase/(Decrease) in Equity Share		5,75,75,000	-
Increase/(Decrease) in Capital Reserve		37,50,000	-
Increase/(Decrease) in Repayment of Term loans		(4,83,23,141)	4,47,20,286
Increase/(Decrease) in Repayment of WCL		(1,36,19,963)	(60,80,978)
Increase/(Decrease) in Interest accrued and due on WCL		44,17,369	2,75,72,632
Increase/(Decrease) in Interest accrued and due on TL		72,15,617	1,16,45,138
Increase/(Decrease) in unsecured Loans		95,56,909	94,54,869
Finance Costs	22	(5,18,44,198)	(4,29,31,933)
Net Cash used in Financing Activities		(3,12,72,408)	4,43,80,014
Net Change in Cash & Cash Equivalents (A+B+C)		2,78,101	4,89,693
E-1 Cash & Cash Equivalents at the beginning of year		10,26,971	5,37,279
E-2 Cash & Cash Equivalents at the year end		13,05,072	10,26,971

The accompanying notes are an integral part of these financial statements

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

sd/-
SAMANDEEP KAUR ARYA
Company Secretary

sd/-
AMIT MAHAJAN
Director-Commercial
& Chief Financial Office

sd/-
R. C. MAHAJAN
Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**
Chartered Accountants

sd/-

(CA SHEENU AGGARWAL)

Partner

Membership No. 527267
FRN 023083N

Place : Chandigarh.

Date : May 30, 2019

1. Corporate Information

S.R. Industries Limited (the Company) (CIN: L29246PB1989PLC009531) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on a recognized stock exchange in India. The registered office of the company is located at E 217, Industrial Area, Phase VIII B, Mohali-160071 (Punjab).

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

The financial statements were authorized for issue in accordance with a resolution by the Board of Directors of the Company on 30th May 2019.

2. Significant Accounting Policies

2.1.1 Basis of Preparation

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

For all periods up to and including the year ended 31st March 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

In respect of financial information for the year ended 31st March 2019, the Company followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1st April 2016.

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

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

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

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

2.1 Summary of Significant Accounting Policies:

2.1.1 Property, Plant & Equipment (PPE):

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses, directly attributable and related to acquisition and installation of the concerned assets and is further adjusted by the amount of GST credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

derecognized.

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

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

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

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

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

2.1.2 Current versus Non Current Classification:

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

- ★ Expected to be realized or intended to be sold or consumed in normal operating cycle;
 - ★ Held primarily for the purpose of trading;
 - ★ Expected to be realized within twelve months after the reporting period, or
 - ★ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelvemonths after the reporting period
- All other assets are classified as non-current.
- A liability is current when:
- ★ It is expected to be settled in normal operating cycle;
 - ★ It is held primarily for the purpose of trading;
 - ★ It is due to be settled within twelve months after the reporting period, or
 - ★ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

2.1.3 Taxes:

2.1.3.1 Current Income Tax:

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive

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

2.1.3.2 Deferred Tax:

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

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

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

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

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

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

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

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

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

Goods & Service Tax (GST) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST paid, except:

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

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation

authority is included as part of other current assets or other current liabilities in the balance sheet.

2.1.4 Inventory

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

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

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

2.1.5 Financial Instruments:

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

a. Financial Assets:

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

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

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

from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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

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

Derecognition:

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

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

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

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

Impairment of financial assets:

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

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

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

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

As a practical expedient, the Company uses a provision matrix to

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

Reclassification of financial assets:

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

b. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits and other payables.

Subsequent measurement:

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

Trade Payables:

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

Financial Liabilities at fair value through profit & loss:

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

Loans & Borrowings:

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

costs in the statement of profit and loss.

Derecognition:

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

Offsetting of financial instruments:

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

2.1.6 Cash & Cash Equivalents:

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

2.1.7 Mandatorily Redeemable Preference Shares:

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

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

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

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

2.1.8 Provisions:

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

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

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare

cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

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

2.1.9 Employee Benefits:

2.1.9.1 Short term obligations:

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

2.1.9.2 Other Long term employee benefit obligations:

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

Gratuity Obligations:

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

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

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

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

2.1.10 Revenue Recognition:

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

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

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

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

Sale of Goods:

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

Interest income:

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

2.1.11 Leases

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

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

Company as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

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

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

2.1.12 Fair Value Measurement

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

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

- i. In the principal market for the asset or liability, or

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

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

2.1.13 Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies,

management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

Operating lease commitments - Company as lessee

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

Estimates and assumptions

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

a. Taxes

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

b. Defined benefit plans

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

c. Fair value measurement of financial instrument

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

2.1.14 Borrowing Costs:

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition,

construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Company during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the borrowing costs.

2.1.15 Impairment of Non Financial Assets:

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

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

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

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

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

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

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

An assessment is made in respect of assets at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the

asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.1.16 Government Grants:

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

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

2.1.17 Earnings per share

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

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

Note : 3 Property, Plan and Equipment (PPE)

Particulars	Freehold Land	Freehold Building	Plant & Machinery	Furniture, Fitting & Equipments Installations	Vehicle	Other Equipments	Total
	INR	INR	INR	INR	INR	INR	INR
Year ended 31 March 2018							
Gross Carrying Amount							
Opening Gross carrying Amount	1,25,09,389	7,48,55,454	15,62,15,911	1,50,22,348	30,53,692	95,06,803	27,11,63,597
Additions	-	-	8,68,000	71,000	-	63,98,944	73,37,944
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2018	1,25,09,389	7,48,55,454	15,70,83,911	1,50,93,348	30,53,692	1,59,05,747	27,85,01,541
Accumulated Depreciation							
Opening Accumulated Depreciation	-	29,05,137	3,06,65,677	29,69,472	7,43,121	4,33,129	3,77,16,536
Depreciation Charge during the year	-	29,05,137	1,37,36,322	29,79,013	7,14,508	10,07,105	2,13,42,085
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as on 31 March 2018	-	58,10,274	4,44,01,999	59,48,485	14,57,629	14,40,234	5,90,58,621
Net Carrying Amount as on 31 March 2018	1,25,09,389	6,90,45,180	11,26,81,912	91,44,863	15,96,063	1,44,65,513	21,94,42,920
Year ended 31 March 2019							
Gross Carrying Amount							
Opening Gross Carrying Amount	1,25,09,389	7,48,55,454	15,70,83,911	1,50,93,348	30,53,692	1,59,05,747	27,85,01,541
Additions	-	-	-	-	-	42,95,618	42,95,618
Disposals	-	-	-	-	-	-	-
Closing Gross carrying amount as at 31st March 2019	1,25,09,389	7,48,55,454	15,70,83,911	1,50,93,348	30,53,692	2,02,01,365	28,27,97,159
Accumulated Depreciation							
Opening Accumulated Depreciation	-	58,10,274	4,44,01,999	59,48,485	14,57,629	14,40,234	5,90,58,621
Depreciation Charge during the year	-	29,05,137	1,37,56,171	29,80,496	7,14,508	13,26,584	2,16,82,896
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as on 31 March 2019	-	87,15,411	5,81,58,170	89,28,981	21,72,137	27,66,818	8,07,41,517
Net Carrying Amount as on 31 March 2019	1,25,09,389	6,61,40,043	9,89,25,741	61,64,367	8,81,555	1,74,34,547	20,20,55,642
Net Book Value At 31 March 2019	1,25,09,389	6,61,40,043	9,89,25,741	61,64,367	8,81,555	1,74,34,547	20,20,55,642
At 31 March 2018	1,25,09,389	6,90,45,180	11,26,81,912	91,44,863	15,96,063	1,44,65,513	21,94,42,920

No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year 31 March 19 - Nil.

Charge on PPE

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

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	31.03.2019	31.03.2018
	INR	INR
4 : Financial Assets - Loans		
(Unsecured, considered good unless otherwise stated)		
Other Advances	3,69,42,284	463,59,115
Security Deposits	14,59,215	14,59,215
	3,84,01,499	4,78,18,330
Current	3,69,42,284	4,63,59,115
Non-Current	1,459,215	14,59,215
5. PREPAYMENTS		
Deferred Loan Processing Fees	-	34,000
	-	34,000
Current	-	34,000
6. Inventories		
(a) Raw Materials	2,59,89,846	6,60,00,994
(b) Work-in-progress	67,58,368	3,96,07,330
(c) Finished Goods	1,09,92,245	3,06,82,519
(d) Consumable	2,06,93,276	3,86,05,746
(e) Stores & spares	31,31,052	51,79,818
Total inventories at the lower of cost and net realisable value	6,75,64,787	18,00,76,407
During the year, obsolete stock amounting to Rs. 9,18,06,099 has been written off as in the opinion of the Management the same cannot be sold in the open market due to issue of trade Mark infringement.		
7. Trade Receivables		
Trade Receivables	10,06,07,806	12,68,84,819
Total Trade Receivables	10,06,07,806	12,68,84,819
Break-up for security details :		
Unsecured, considered good ¹	10,06,07,806	12,68,84,819
Provision for Doubtful Debts	(921,131)	(9,21,131)
	9,96,86,675	12,59,63,688
Current	9,96,86,675	12,59,63,688
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interested bearing and generally on terms of 30 to 90 days.		
8. Cash and cash equivalent		
(A) Balances with Banks		
(I) Bank balances held as margin money or as security against :		
(i) Guarantees	9,87,939	9,26,829
(II) Other Bank Balances	12,57,632	9,94,487
(B) Cash on hand	47,440	32,484
	22,93,011	19,53,800
Cash & Cash equivalents	13,05,072	10,26,971
Bank Balance other than above	9,87,939	9,26,829
9. Other Financial Assets		
(Unsecured, Considered good)		
Capital Advances	-	-
Others		
Balance with Revenue Authorities	1,44,64,024	1,26,22,736
	1,44,64,024	1,26,22,736
Current Assets	1,44,64,024	1,26,22,736

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10. Share Capital

Authorised Share Capital

Equity Shares

	No.	INR.
At 31st March 2018	1,50,00,000	15,00,00,000
Increase/(Decrease) during the year	65,00,000	6,50,00,000
At 31st March 2019	2,15,00,000	21,50,00,000

During the year Authorised Capital was increased by Rs. 6,50,00,000.

Terms /rights attached to Equity Shares

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

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

8% Non-Comulative Redeemable Preference Shares :

	NO.	INR
At 31st March 2018	15,00,000	15,00,00,000
Increase/(Decrease) during the year	-	-
At 31st March 2019	15,00,000	15,00,00,000

* Terms/Rights attached to Preference Shares

The Company has issued 14,60,000 Redeemable preference share of INR 100 each. out of these, Preference Shares Amounting to Rs. 10 crores will be redeemed on 14th October, 2031 and Preference Shares amounting to Rs. 4.6 crores will be redeemed on 25th March, 2033 at the price of INR 100/- per share. The Preference Shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The Preference Shares rank ahead of the Equity shares in event of liquidation.

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

Issued Share Capital

Equity Shares

	NO.	INR
At 31st March 2018	1,39,16,000	13,91,60,000
Increase/(Decrease) during the year	57,57,500	5,75,75,000
At 31st March 2019	1,96,73,500	19,67,35,000

Equity Component of Redeeable Preference Shares of INR 100 each issued & fully paid

	NO.	INR
At 31st March 2018	14,60,000	9,81,11,062
Increase/(Decrease) during the year	-	-
At 31st March 2019	14,60,000	9,81,11,062

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

Subscribed Share Capital

Equity Shares of INR 10 each

	Subscribed & Fully Paid	Subscribed but not fully paid
At 1st April 2018	13,88,82,000	2,78,000
Increase/(Decrease) during the year	5,75,75,000	-
At 31st March 2019	19,64,57,000	2,78,000

Increase in the equity share capital represents the conversion of Compulsory Convertible Debentures into Equity Share Capital.

Equity Component of Redeeable Preference Shares of INR 100 each issued & fully paid

	NO.	INR
At 31st March 2018	14,60,000	9,81,11,062
Increase/(Decrease) during the year	-	-
At 31st March 2019	14,60,000	9,81,11,062

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Details of shareholders holding more than 5% Shares in the company

NAME OF SHAREHOLDER	31-03-2019		31-03-2018	
	No. of Shares Held	% Holding in that class of shares	No. of Shares Held	% Holding in that class of shares
Equity shares of INR 10 each				
AMIT MAHAJAN	13,50,313	6.86%	13,50,313	9.70%
GITAKIRTIAMBANI	11,02,500	5.6%	-	-
Preference shares of INR 100 each				
Amit Mahajn S/o Late Sh. Y. D. Mahajan	5,69,481	39.01%	5,69,481	39.01%
Pride Properties Pvt. Ltd.	1,42,400	9.75%	1,42,400	9.75%
Beckons Industries Pvt. Ltd.	75,000	5.14%	75,000	5.14%
Universal Cyber Infoways Pvt. Ltd.	4,36,350	29.89%	4,36,350	29.89%
R. C. Mahajan	87,500	5.99%	87,500	5.99%
Amit Mahajan S/o R.C. Mahajan	75,269	5.15%	75,269	5.15%
Krishna Garden Pvt. Ltd.	74,000	5.07%	74,000	5.07%

	31.03.2019	31.03.2018
	INR	INR
11 : Other Equity		
Security Premium Reserve	1,18,05,000	1,18,05,000
Capital Reserve	54,63,900	17,13,900
Retained Earning	(46,46,05,788)	(29,17,36,577)
	(44,73,36,888)	(27,82,17,677)
Reserves & Surplus	(46,46,05,788)	(29,17,36,577)
Other Reserves	1,72,68,900	1,35,18,900

Increase in Capital Reserve represents the forfeited amount which was received against Share Warrants being 25% as the balance amount of 75% was not received within 18 months.

Security Premium Reserve

Opening Balance	1,18,05,000	1,18,05,000
Closing Balance	1,18,05,000	1,18,05,000

Retained Earning

Opening Balance	(29,17,36,576)	(25,23,06,047)
Net profit for the period	(17,35,01,358)	(4,07,59,771)
Items of other comprehensive income recognised directly in retained earnings	6,32,146	13,29,242
Closing Balance	(46,46,05,788)	(29,17,36,576)

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

a. Equity Share Capital		
Equity Shares of INR 10 each issued, subscribed and fully paid	NO.	INR
At 31st March 2018	1,39,16,000	13,88,82,000
Increase/(decrease) during the year	57,57,500	5,75,75,000
At 31st March 2019	1,96,73,500	19,64,57,500

b. Other Equity
For the year ended 31st March 2019

Attributable to the Equity Holder Reserves and Surplus					
	Equity Components of	Share Premium	Capital Reserve	Retain Earnings	Total Equity
As at 1st April 2018	9,81,11,062	1,18,05,000	17,13,900	(29,17,36,576)	(18,01,06,614)
Profit for the period			37,50,000	(17,35,01,351)	(16,57,51,358)
Other Comprehensive Income				6,32,146	6,32,146
Total Comprehensive Income	9,81,11,062	1,18,05,000	54,63,900	(46,46,05,788)	(34,92,25,826)
As at 31st March 2019	9,81,11,062	1,18,05,000	54,63,900	(46,46,05,788)	(34,92,25,826)

Attributable to the Equity Holder Reserves and Surplus					
	Equity Components of	Share Premium	Capital Reserve	Retain Earnings	Total Equity
As at 1st April 2017	9,81,11,062	1,18,05,000	17,13,900	(25,23,06,047)	(14,06,76,085)
Profit for the period				(4,07,59,771)	(4,07,59,771)
Other Comprehensive Income				13,29,242	13,29,242
Total Comprehensive Income	9,81,11,062	1,18,05,000	17,13,900	(29,17,36,576)	(18,01,06,614)
As at 31st March 2018	9,81,11,062	1,18,05,000	17,13,900	(29,17,36,576)	(18,01,06,614)

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

sd/-
SAMANDEEP KAUR ARYA
Company Secretary

sd/-
AMIT MAHAJAN
Director-Commercial
& Chief Financial Office

sd/-
R. C. MAHAJAN
Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**

Chartered Accountants

sd/-

(CA SHENU AGGARWAL)

Partner

Membership No. 527267

RN 023083N

Place : Chandigarh.

Date : May 30, 2019

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12. Borrowings

	Effective Int. Rate	Maturity	Installment (No.)	31.03.2019 INR	31.03.2018 INR
Non-Current Borrowings					
Term Loan					
From Banks					
(i) Term Loan from SBI (Secured)	16.75%	2011-2019	28	-	-
(ii) Term Loan from UCO Bank (Secured)	16.75%	2011-2019	28	-	-
(iii) Liability Component of Compound Financial Instrument (Unsecured)	16.75%	2011-2031 & 2013-2033	Lumpsum	1,96,73,566	1,68,51,018
(iv) Vehicle Loans (Secured)	10.25%	2016-2019	35	-	-
(v) Compulsory Convertible Deventure (CCD)	20.00%	2017-2019	Lumpsum	-	5,45,74,383
Unsecured Loans					
- From Directors (Unsecured) (Refer Note No. 25)				6,39,58,401	5,44,01,492
- From Intercompany (Unsecured) (Refer Note No. 25)				52,64,211	52,64,211
Total borrowings				8,88,96,178	13,10,91,105
Less: Current maturities of debt				-	-
Less : Current maturities of Vehicle Loans				-	-
Less : Interest accrued and due				-	-
Non-Current Borrowings				8,88,96,178	13,10,91,105
Current Borrowings					
(A) Loans repayable on demand					
Secured					
From Banks					
-State Bank of India		on Demand		10,03,99,941	11,56,39,469
-UCO Bank		on Demand		8,70,19,565	8,54,00,000
Interest accrued and due				3,19,90,000	2,75,72,632
				21,94,09,506	22,86,12,101
(B) Other Financial Liabilities					
Current					
Current maturities of debt				8,80,37,299	8,80,37,299
Current maturities of vehicle loans				-	3,95,690
Interest accrued and due				2,16,95,562	1,06,55,562
				10,97,32,861	9,90,88,551

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	31.03.2019 INR	31.03.2018 INR
13. Provisions		
Provision for Employee Benefits	1,52,63,389	1,52,77,553
	1,52,63,389	1,52,77,553
Current	85,74,286	75,32,594
Non-Current	66,89,103	77,44,959

14. Deferred Income

Deferred Income on account of Government Grant for EPCG License	12,069	9,93,871
Deferred Income on account of investment Subsidy	15,22,000	17,22,000
Deferred income on account of Government Grant for Property, Plant and Equipments	1,29,05,330	1,41,90,530
	1,44,39,399	1,69,06,401
Current	14,97,270	24,79,072
Non-Current	1,29,42,129	1,44,27,329

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

15. Deferred Tax Assets / (Liabilities) (Net)

Deferred Tax Assets / (Liabilities) (Net)	(86,01,449)	(3,51,96,777)
	(86,01,449)	(3,51,96,777)
Non-Current	(86,01,449)	(3,51,96,777)

Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Domestic Tax Rate for 31 March 2018 and 31 March 2019 :

Accounting Profit before Income Tax	(20,03,18,792)	(3,99,90,304)
At India's statutory Income Tax rate of 26% (31 March 2018:30.90%)	(5,20,82,886)	(1,23,57,004)
Non-deductible Expenses for Tax purposes	13,83,982	85,82,632
Utilisation of previously unrecognised Tax Losses	5,06,98,904	37,74,372
Income Tax expenses reported in the statement of profit and loss A/c	-	-

Reconciliation of deferred tax Liabilities (Net) :

Opening Balance as on 1 April	(3,51,96,777)	(3,38,32,902)
Tax Income/(Expense) during the period recognised in profit and loss	2,68,17,434	(7,69,467)
Tax Income/(Expense) during the period recognised by OCI	(2,22,106)	(5,94,408)
Closing Balance as at March 31	(86,01,449)	(3,51,96,777)

Deferred Tax relates to the following	Balance Sheet		Profit & Loss	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
WDV of Property, Plant and Equipment and intangible assets (excluding freehold land)	(3,06,25,328)	(4,00,35,582)	94,10,254	27,40,738
Prepayments		(10,506)	10,506	13,133
Debt Components of CFI	(3,28,44,873)	(3,99,07,035)	70,62,162	7,47,038
Provision of Employee benefits	39,68,481	47,20,764	(7,52,283)	1,29,190
Trade Payables	-	-	-	(22,42,730)
Unabsorbed Depreciation	5,09,00,271	4,00,35,582	1,08,64,689	(27,51,244)
Tax during the period recognised in OCI	-	-	2,22,106	5,94,408
Deferred Tax Expense/(Income)	-	-	(2,68,17,434)	7,69,467
Net Deferred Tax Asset/(Liabilities)	(86,01,449)	(3,51,96,777)	-	-

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	31.03.2019	01.04.2018
	INR	INR
16. Other Liabilities		
Statutory dues payables	31,01,099	1,92,90,224
Other liabilities and payables	2,36,88,420	43,18,581
	2,67,89,519	2,36,08,805
Non-Current	2,67,89,519	1,92,90,224
17. Trade payables		
Trade Payables - Raw Material	8,39,39,212	6,45,08,606
Trade Payables - Others	1,01,62,953	1,48,46,598
	9,41,02,165	7,93,55,205
Terms & Conditions of the above financial liabilities		
Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.		
None of the party's have informed the company about their status as MSME		
18. Revenue from Operations		
Revenue from Sale of products	25,24,03,617	37,77,09,849
Total Sale of Products	25,24,03,617	37,77,09,849
Other Operating Revenues	-	96,540
Total	25,24,03,617	37,78,06,389
19. Other Income		
Other Non-Operating Income		
Interest Income	17,47,900	1,89,522
Deffered Income (Govt. Grant)	17,01,436	31,71,415
Other Non-Operating Income/(Expense) (Net of Expenses directly attributable to such income)	57,63,543	36,559
	92,12,879	33,97,496
Government grants have been received for the purchase of certain items of Property, Plant and Equipment. There are no unfulfilled conditions or contingencies attached to these grants.		
20. Cost of Raw Material and Components Consumed		
Inventory at the beginning of the year	10,46,06,740	9,35,12,567
Add: Purchase	14,88,19,94	23,43,79,240
	25,34,26,685	32,78,91,807
Less : Inventory at the end of the year	4,66,83,122	10,46,06,740
Cost of Raw Material and Components Consumed	20,67,43,563	22,32,85,067
21. Employee Benefits Expenses		
Salaries, wages and bonus	3,99,41,900	7,80,89,646
Contribution to provident and other funds	21,97,621	48,93,809
Gratuity Expense	11,37,607	21,66,125
Leave Encashment	67,390	4,98,015
Staff Welfare Expense	24,60,164	30,64,370
	4,58,04,681	8,87,11,965
22. Finance Costs		
Interest	5,14,85,998	4,19,06,127
Other borrowing Cost	3,58,200	10,25,806
Total Interest	5,18,44,198	4,29,31,933

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	31.03.2019	31.03.2018
	INR	INR
23. Other Expenses		
Power & Fuel	77,86,178	92,33,959
Other manufacturing Expenses	72,69,014	30,45,054
Repair & Maintenance		
Plants and machinery	2,09,581	2,14,718
Buildings	-	44,973
Rent	21,99,700	13,75,000
Rates and Taxes	1,68,708	12,14,679
Insurance	4,23,159	6,31,672
Selling expenses	1,55,77,101	77,03,243
Vehicle running and maintenance	6,07,030	11,51,097
Travelling and conveyance	10,42,493	14,08,382
Legal and professional fees	13,57,706	50,07,127
Auditor Remuneration	1,10,000	1,29,800
Bad Debits	4,20,62,052	-
Other Expenses	45,07,992	49,98,939
	8,33,20,714	3,61,58,642

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

sd/-
SAMANDEEP KAUR ARYA
Company Secretary

sd/-
AMIT MAHAJAN
Director-Commercial
& Chief Financial Office

sd/-
R. C. MAHAJAN
Managing Director

As per our report of even date attached

For **NJ & ASSOCIATES**
Chartered Accountants

sd/-
(CA SHENU AGGARWAL)

Partner
Membership No. 527267
FRN 023083N

Place : Chandigarh.
Date : May 30, 2019

Notes to the Financial Statements for the year ended 31st March 2019

24. Inventories :

During the year obsolete stock amounting to Rs. 9,18,06,099 has been written off as in the opinion of the management, the same cannot be sold in the open market due to issue of Trade Mark Infringement.

25. RELATED PARTY TRANSACTION:

		Sales to related Parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Loans Given/ (Received)	(Repayment)/ Received	Amounts owed by related parties
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Entity in which Directors are interested								
Universal Cyber Info way Pvt. Ltd.	31.03.19	-	-	-	-	-	-	52.64
	31.03.18	-	-	-	-	-	-	52.64
Directors	31.03.19	-	-	-	-	(47.18)	142.75	639.59
	31.03.18	-	-	-	-	(230.02)	188.11	540.02

Key Management Personnel		Short Term Employee Benefits	Post-Emp. Benefits	Loan Given/ (Recd.)	(Repay ment)/ Recd.	Amt. owned by Key-Mgt. Personnel
Amit Mahajan Director (Commercial)	31.03.19	18.73	11.27	-	-	-
	31.03.18	23.92	9.27	-	-	-
Amit Mahajan Director (Operations)	31.03.19	16.20	11.38	-	-	-
	31.03.18	21.60	9.38	-	-	-
R C Mahajan Managing Director	31.03.19	28.49	79.70	-	-	-
	31.03.18	37.36	78.66	-	-	-
Director Sitting Fees	31.03.19	0.05	-	-	-	-
	31.03.18	0.05	-	-	-	-
Company Secretary	31.03.19	3.28	0.21	-	-	-
	31.03.18	3.00	0.09	-	-	-

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

Terms and conditions of transactions with related parties

Outstanding balances of Unsecured Loan from Directors and Related Parties at the year-end are unsecured and interest free and settlement occurs in Cash/ Bank. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2018: INR Nil.). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

26. Trade Receivables :

Books debts amounting to Rs. 4,20,62,052 has been written off, being non-recoverable.

27. Interest on Bank Loans

As the bank has classified the bank accounts of the company as Non-Performing Asset, the interest on Bank Loan has been calculated on calculation basis.

28. Contingent Liabilities :

The Central Excise Authorities, Mumbai had imposed duty and penalty aggregating to Rs. 723.00 Lacs (Previous year Rs. 723.00 Lacs) for purchase of certain items against CT-3 forms without payment of duty. An amount of Rs. 119.00 Lacs has been paid under protest. The company has disputed the said demand and filed an appeal to set aside the order. The requisite provisions, if any, will be made in the year of final decision.

29. Deferred Tax

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

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

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits since they have arisen on account of recent losses incurred by the company for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit would increase by INR 1,56,65,279.

30. Employee Benefits:

A. Defined Contribution Plan

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

Particulars	2018-19	2017-18
Employer's contribution towards Provident Fund	13,81,766	31,86,511

B. Defined Benefit Plan

General description of the plan:

Gratuity	Leave Encashment
Unfunded	Unfunded

Method of valuation: Projected unit Credit Method

C. Reconciliation of opening and closing balance of defined benefit obligation:

Item	Gratuity		Leave	
	2019	2018	2019	2018
Net opening liability/(asset)	57,57,104	57,36,167	95,20,449	91,23,296
Expenses as recognized in P&L account	11,37,604	21,66,125	12,02,739	13,01,253
Remeasurements	(8,54,252)	(19,23,650)	(11,35,349)	(8,03,239)
Contributions/benefits paid	(2,49,130)	(2,21,538)	(1,15,780)	(1,00,861)
Net closing liability (asset)	57,91329	57,57,104	94,72,059	95,20,449

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

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
FV of plan assets at the beginning of the period	-	-	-	-
Expected Return on plan assets	-	-	-	-
Contributions paid by the employer	2,49,130	2,21,538	1,15,780	1,00,861
Benefit paid by Fund	(2,49,130)	(2,21,538)	(1,15,780)	(1,00,861)
Assets Acquired/Ceded on settlement	-	-	-	-
Actuarial Gains/(Losses) on plan assets	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-
FV of plan assets at the end of the period	-	-	-	-

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

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
Present value of DBO/LTEB	57,91,329	57,57,104	94,72,059	95,20,449
FV of plan assets	-	-	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	57,91,329	57,57,104	94,72,059	95,20,449

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

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
Current Service Cost	7,00,067	17,64,593	4,79,185	6,62,622
Interest Cost	-	-	-	-
Actuarial (Gain)/ Loss of obligations	-	-	(11,35,349)	(8,03,239)
Actuarial (Gain)/ Loss of plan assets	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	4,37,540	4,01,532	7,23,554	6,38,631
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	11,37,607	21,66,125	67,370	4,98,014

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

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	73,321	(1,61,877)	67,378	(1,51,501)
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(9,27,573)	(17,61,773)	(12,02,727)	(6,51,738)
Return on plan assets other than amounts included in net interest cost	-	-	-	-
Re-measurement arising from change in asset ceiling	-	-	-	-
Net(Income)/Expense for the period recognized in Other Comprehensive Income	(8,54,252)	(19,23,650)	(11,35,349)	(8,03,239)

H. Valuation Assumptions(Financial)

	2019	2018
Discount Rate	7.30%	7.00%
Estimated rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	NA	NA
(Demographic)		
Mortality basis	Indian Assured Lives Mortality (2006-08) Ult	
Attrition	5%	
Disability	No explicit allowance	
Leave availment factor	0%	

Average Weighted Duration of liabilities:

Sensitivity Analysis Amount (in Rs.)

Item	Gratuity		Leave	
	2019	2018	2019	2018
Increase Discount Rate by 0.50%	56,70,402	56,30,347	93,60,780	94,01,025
Decrease Discount Rate by 0.50%	59,18,892	58,91,221	95,88,608	96,46,048
Increase Salary Inflation by 1%	60,41,696	60,22,404	97,09,931	97,79,269
Decrease Salary Inflation by 1%	55,63,868	55,17,657	92,51,057	92,82,159
Increase in Withdrawal Rate by 5%	58,72,491	58,30,828	95,99,640	96,88,389
Decrease in Withdrawal Rate by 5%	56,14,855	55,52,399	92,74,686	92,46,951

31. Fair Value of Financial Instruments

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

Amount (in Rs.)

Category	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Asset at Amortized cost				
Loan (refer Note No 4)	3,84,01,499	4,78,18,330	3,84,01,499	4,78,18,330
Other Current Financial Assets (refer Note No 7)	10,06,07,806	12,68,84,819	10,06,07,806	2,68,84,819
Financial Liabilities at Amortized cost				
Non-Current borrowings including current maturities (refer note no 12)	19,86,29,039	23,01,79,655	19,86,29,039	23,01,79,655
Current borrowing (refer note no 12)	21,94,09,506	22,86,12,101	21,94,09,506	22,86,12,101

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

The fair value of loans from banks and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

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

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

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2019				
Loans (refer note no 4)	3,84,01,499	-	3,84,01,499	-
Other current financial assets (refer note no. 7)	10,06,07,806	-	10,06,07,806	-
(ii) Quantitative disclosure of fair value measurement hierarchy for financial				

assets as on **March 31, 2018**

Loans (refer note no 4) 4,78,18,330 - 4,78,18,330 -

Other current financial assets
(refer note no. 7) 12,68,84,819 - 12,68,84,819 -

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on **March 31, 2019**

Non-Current borrowings including current maturities
(refer note no 12) 19,86,29,039 - 19,86,29,039 -

Current borrowings
(refer note no. 12) 21,94,09,506 - 21,94,09,506 -

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on **March 31, 2018**

Non-Current borrowings including current maturities
(refer note no 12) 23,01,79,655 - 23,01,79,655 -

Current borrowings
(refer note no. 12) 22,86,12,101 - 22,86,12,101 -

32. Capital Management :

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

	As at 31.03.2019	As at 01.04.2018
Borrowings	30,83,05,684	35,58,78,822
Other financial liabilities	10,97,32,861	10,29,12,934
Trade payables	9,41,02,165	7,93,55,205
Less: Cash and Cash equivalents	(13,05,072)	(10,26,971)
Less: Other bank balances	(9,87,939)	(9,26,829)
Net Debt	50,98,47,699	53,61,93,160
Equity share capital	19,64,57,000	13,88,82,000
Other equity	(34,92,25,825)	(18,01,06,615)
Total Equity	(15,27,68,825)	(4,12,24,615)
Total Capital and net debt	35,70,78,874	49,49,68,545
Gearing ratio	-333.74%	-1301%

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

Place: Chandigarh.

(CA SHENU AGGARWAL)

Date : May 30, 2019

Partner

Membership No. 527267

FRN 023083N

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the shareholders of the company will be held on Thursday, the 19th day of September, 2019 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8B, Mohali, Punjab to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account & cash flow statement for the year ended on that date together with the reports of Auditors' and Directors' including the management discussion and analysis thereon.
2. To appoint a director in place of Mr. Amit Mahajan (DIN: 00038593), Director (Commercial) who retires by rotation and being eligible, offers himself for re- appointment.

SPECIAL BUSINESS:

3. To appoint Mr. Udit Mayor (DIN 02425273) as Independent Director on the Board of the Company.
To consider and, if though fit, to pass with or without modification(s) the following resolution as an **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) and on the recommendation of the nomination & remuneration committee of the company, Mr. Udit Mayor (DIN 02425273), appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161 and 149 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment be and is hereby appointed as an Independent Director of the Company, not liable to retire to rotation and to hold office for 5 (five) consecutive years for a term up to 13.08.2024."
"RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".
4. Re-appointment of Mrs. Seema Mahajan (DIN 06978146) as an Independent Non-Executive Director.
To consider and, if though fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Seema Mahajan (DIN 06978146), Independent Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 9th November, 2019 to 8th November, 2024 and whose office shall not be liable to retire by rotation".
"RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".
5. Re-appointment of Mr. Amit Mahajan (Director- Commercial) as a whole time director of the Company
To consider and if thought fit to pass, with or without modification(s), the following resolution as a **special resolution**: -
"RESOLVED that pursuant to the provisions of Section 196, 197 and other applications 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, Mr. Amit Mahajan, Director (Commercial), DIN: 00038593 be and is hereby re-appointed as Whole time Director of the company liable to retire by rotation, for five years, to be designated as Director (Commercial) w.e.f. April 1, 2019 at a remuneration as stated below:

Salary : Rs. 1.20 Lacs per month
Perquisites

Category –A

Housing / HRA

- a) Expenditure by the company on hiring accommodation subject to a ceiling of 50% of basic salary.
- b) If the company does not provide accommodation to him, he shall be paid HRA @50% of the basic salary.

Medical Reimbursement – As per Company's Rules

Leave Travel Concession - As per Company's Rules.

Club Fees - As per Company's Rules

Personal Accidental Insurance - As per Company's Rules.

Category –B

Provident Fund Contribution- As per rates prescribed under Employees' Provident Fund and Misc. Provisions Act, 1952.

Category –C

Car – He shall be provided with the company's car with driver for performing his official duties. Use of Company's car for his private purpose shall be billed by company to his account.

Telephone – He shall be provided with Company's telephone at his residence and that all long distance personal call shall be billed by the Company to his account.

Further, based on his performance the Board of Directors / Remuneration Committee of the Company is hereby authorised to increase, from time to time, his basic salary up to Rs. 2.40 per month.

6. Re-appointment of Mr. Amit Mahajan (Director- Operations) as a whole time director of the Company
To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special resolution**: -

"RESOLVED that pursuant to the provisions of Section 196, 197 and other applications 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, Mr. Amit Mahajan, Director (Operations), DIN: 00038827 be and is hereby re-appointed as Whole time Director of the company liable to retire by rotation, for five years, to be designated as Director (Commercial) w.e.f. April 1, 2019 at a remuneration as stated below:

Salary : Rs. 1.20 Lacs per month
Perquisites

Category –A

Housing / HRA

- a) Expenditure by the company on hiring accommodation subject to a ceiling of 50% of basic salary.
- b) If the company does not provide accommodation to him, he shall be paid HRA @50% of the basic salary.

Medical Reimbursement – As per Company's Rules

Leave Travel Concession - As per Company's Rules.

Club Fees - As per Company's Rules

Personal Accidental Insurance - As per Company's Rules.

Category –B

Provident Fund Contribution- As per rates prescribed under Employees' Provident Fund and Misc. Provisions Act, 1952.

Category –C

Car – He shall be provided with the company's car with driver for performing his official duties. Use of Company's car for his private purpose shall be billed by company to his account.

Telephone – He shall be provided with Company's telephone at his residence and that all long distance personal call shall be billed by the Company to his account.

Further, based on his performance the Board of Directors / Remuneration Committee of the Company is hereby authorised to increase, from time to time, his basic salary up to Rs. 2.40 per month.

7. Ratification of the resolution regarding Preferential Issue of Compulsorily Convertible Debentures passed in the 28th AGM of the Company held on 18th September, 2017.

To consider and, if thought fit, to pass, with or without modification(s), if any, the following as a **Special Resolution**:

"RESOLVED THAT item no. 4 of the resolution of the Notice dated 10th August, 2017 is modified to the extent as provided herein below to ratify the tenure for conversion and allotment of such CCD's and to ratify PAN numbers of two allottees and the shareholders of the Company hereby ratify the following disclosures and consider the same as disclosed:

Point no (d) of para 3 states that

The CCDs shall be compulsorily convertible into Equity Shares on the date of expiry of 15 months from the date of allotment of the CCDs;

The above para shall be read and replaced by:

"The CCDs shall be compulsorily convertible into Equity Shares on the date of expiry of 18 months from the date of allotment of the CCDs;

Para 1 of item no 4 of explanatory statement

The Company has incurred losses in business during the last couple of years however, the Company is now experiencing growth with new opportunities coming due to change in business environment. Capital commitment is the essentially driver for growth in this dynamic environment but the Company has been facing liquidity crunch. With a view to tide over the issue, Company needs infusion of funds. To augment the growth and improve the Financial Performance, the Promoters have taken various steps including diluting their shareholding and ploughing back the money into the Company. The Company further propose to create, offer, issue and allot upto a maximum of 60,00,000 Compulsory Convertible Debentures (CCD's) having face value of INR 10 each at par, for an aggregate amount of upto INR 6 crores (Rupees Six Crores only) to the Proposed Allottee. The tenure of the CCDs shall not exceed 15 (Fifteen) months from the date of their allotment.

The above para shall be read and replaced by:

"The Company has incurred losses in business during the last couple of years however, the Company is now experiencing growth with new opportunities coming due to change in business environment. Capital commitment is the essentially driver for growth in this dynamic environment but the Company has been facing liquidity crunch. With a view to tide over the issue, Company needs infusion of funds. To augment the growth and improve the Financial Performance, the Promoters have taken various steps including diluting their shareholding and ploughing back the money into the Company. The Company further propose to create, offer, issue and allot upto a maximum of 60,00,000 Compulsory Convertible Debentures (CCD's) having face value of INR 10 each at par, for an aggregate amount of upto INR 6

crores (Rupees Six Crores only) to the Proposed Allottee. The tenure of the CCDs shall not exceed 18 (Eighteen) months from the date of their allotment."

Sub-Point no 2) of point no 6 of the explanatory statement

All the CCDs would be converted on the last day of the 15 months from the issue.

The above para shall be read and replaced by:

"All the CCDs would be converted and such number of equity shares shall be allotted within the period of 18 months from the date of allotment of such CCD's"

In Para 8 of the explanatory statement:

For Sr. No 11. The PAN of Amit Gunchandra Mehta is AAFFM4855J.

For Sr. No. 20. The PAN of Anurag Atal is AKCPA0134B

The changes proposed in the foregone paragraphs are in no way resulting in change in any management control. These changes should be read in partial modification of the Item No. 4 of the notice dated 10th August, 2017 calling the Annual General Meeting held on 18th September, 2017, read with corrigendum to the Annual General Meeting Notice sent to all the eligible Shareholders. These changes shall be further read in partial modification of the Item no 2 of the Postal Ballot Notice dated November 30th, 2017 and Corrigendum to the postal ballot notice dated 26th December, 2017.

For and on behalf of the Board

Place: Mohali
Date: 14.08.2019
Regd. Office:
Director
E-217, Industrial Area,
Phase 8 B, Mohali, Punjab

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

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed.
2. **AMEMBER 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 13.09.2019 to 19.09.2019 (both days inclusive).
4. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies or societies etc. must be supported by appropriate resolutions / authority, as applicable.
5. In case of joint holders attending the meeting, the joint holder who is higher in order of names under a given Folio / DP ID-Client ID (in respect of dematerialized shares) will be entitled to vote.
6. Members / Proxies are requested to bring their copy of this notice along with duly filled admission slip for attending the meeting.
7. Members holding shares in physical form are requested to notify change in address, if any, to the company at its Registered Office or to the Registrar & Transfer Agents – M/s Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.
8. Members holding shares in electronic form are requested to notify change in their address, if any, to their Depository Participant.
9. Pursuant to the provisions of Companies Act, 2013 read with the rules framed thereunder, the company may send notice of general meeting and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity atleast once in a financial year to the members to register their e-mail address and changes therein. In view of the same, members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, members are requested to inform their e-mail ID to the company.
10. Electronic copy of the notice of general meeting of the company is being sent to all the members whose email IDs are registered with the company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies are being sent by the permitted mode.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Regulations, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening annual general meeting to be held on Thursday, the 19th day of September, 2019 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8B, Mohali (Punjab). The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
12. The instructions for members for e-voting are as under:
 - (i) The voting period begins on Monday, the 16th day of September, 2019 at 09:00 A.M. and ends on Wednesday, the 18th day of September, 2019 at 5.00 P.M. During this period shareholders' of the Company,

holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, the 12th day of September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

For Members holding shares in Demat Form and Physical Form

- | | |
|-----------------------|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders):
Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned on Attendance Slip indicated in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
 - (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant Company, i.e. S R Industries Limited on which you choose to vote (EVSN 180830063).
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- ✍ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ✍ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ✍ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ✍ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ✍ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Since, the Company is required to provide the members facility to exercise their vote by electronic means, shareholders of the company, holding shares either in physical form or dematerialized form as on the cut-off date i.e. Thursday, the 12th September, 2019 and not casting their vote electronically, may also cast their vote at the Annual General Meeting.
- (xxi) The members who have cast their vote by e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (xxii) Mr. Ramesh Bhatia, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting thereafter, unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in employment of the Company and make, not later than 3 days from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company at E-217, Industrial Area, Phase-8B, Mohali(Pb.)-160071 during normal business hours (9.00 am to 5.00 pm) on all working days upto and including the date of the AGM of the Company.

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

Item No. 2 Re-appointment of Mr. Amit Mahajan, Director (Commercial), (DIN: 00038593) retiring by rotation.

Mr. Amit Mahajan, (DIN: 00038593), Director (Commercial) retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Mr. Amit Mahajan is separately annexed hereto.

Item No. 3 To appoint Mr. Udit Mayor as Independent Director on the Board of the Company.

Based on the recommendation of nomination & remuneration committee the Board of Directors had appointed Mr. Udit Mayor (DIN 02425273) as an additional Independent Director on the Board of the Company in their meeting held on 14th August, 2019.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Udit Mayor (DIN 02425273) holds office as additional Director only up to the date of

the forthcoming Annual General Meeting.

The Company has received a declaration from Mr. Udit Mayor (DIN 02425273), 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. Udit Mayor (DIN 02425273) fulfills the conditions specified in the Act and Rules framed there under for his appointment as an Independent Director. The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the company and hence recommends the Resolution at Item No. 3 of the Notice for your approval.

A brief resume of Mr. Udit Mayor is separately annexed hereto.

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

Except Mr. Udit Mayor (DIN 02425273), being an appointee, none of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed resolution except to the extent of their shareholding in the Company, if any.

Item No. 4 Re-appointment of Mrs. Seema Mahajan (DIN 06978146) as an Independent Non-Executive Director.

Mrs. Seema Mahajan (DIN 06978146) was appointed as an Independent Non Executive Director of the Company by the members at the 26th AGM of the Company held on 30th September, 2015 for a period of five consecutive years commencing from 10th November, 2014 up to 9th November, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Seema Mahajan (DIN 06978146), being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 9th November, 2019 upto 8th November, 2024.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mrs. Seema Mahajan (DIN 06978146) fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs. Seema Mahajan (DIN 06978146) as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, up to and including the date of AGM of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Seema Mahajan (DIN 06978146) as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mrs. Seema Mahajan (DIN 06978146) as an Independent Director for another term of five consecutive years with effect from 9th November, 2019 to 8th November, 2024, for the approval by the shareholders of the Company.

A brief resume of Mrs. Seema Mahajan is separately annexed hereto.

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

Except Mrs. Seema Mahajan (DIN 06978146), being an appointee, none of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed Special Resolution except to the extent of their shareholding in the Company, if any.

Item No. 5 Re-appointment of Mr. Amit Mahajan (Director-Commercial) as a whole time director of the Company

Mr. Amit Mahajan, who is B.Sc (Economics) is working with the Company since May, 1997 and is looking after the commercial activities of the Company. During his tenure, he has worked whole heartedly for the progress of the Company. With a view to reward the services rendered by him, the Board of Directors had appointed him as a Whole time Director w.e.f. May 19, 1997 and had designated him as Director (Commercial).

Presently Mr. Amit Mahajan holds 13,50,313 Equity Shares of the Company. The Board recommends the passing of the subject resolution.

A brief resume of Mr. Amit Mahajan is separately annexed hereto.

None of the Directors except Mr. Amit Mahajan himself is concerned and interested in this resolution.

Item No. 6 Re-appointment of Mr. Amit Mahajan (Director- Operations) as a whole time director of the Company

Mr. Amit Mahajan, who is a B.E. is working with the Company since April 1, 1995 and is looking after the production and other operational activities of the Company. During his tenure, he has worked whole heartedly for the progress of the Company. With a view to reward the services rendered by him, the Board of Directors had appointed him as a Whole time Director w.e.f. September 01, 2006 and had designated him as Director (Operations). His appointment was also approved by the shareholders in the Annual General Meeting held in 2006.

Presently Mr. Amit Mahajan holds 4,11,450 Equity Shares of the Company. The Board recommends the passing of the subject resolution.

A brief resume of Mr. Amit Mahajan is separately annexed hereto.

None of the Directors except Mr. Amit Mahajan himself and Mr. R. C. Mahajan, Managing Director, being his relative is concerned and interested in this resolution.

Item No 7 Ratification of the resolution regarding Preferential Issue of Compulsorily Convertible Debentures passed in the 28th AGM of the Company held on 18th September, 2017.

The members of the Company had in terms of the Special Resolutions passed in the Annual General Meeting held on 18th September, 2017, approved the preferential issue of up to 60,00,000 (Sixty Lacs) Compulsorily Convertible Debentures (CCDs) of face value of INR 10/- (Rupees Ten

Only) each at par, for an aggregate amount of upto INR 6,00,00,000 (Rupees Six Crore only), including the accumulated amount of interest upto the date of conversion on Preferential Allotment basis to Non-Promoters. Subsequently, the Company made application to the BSE Limited (BSE) for seeking its in-principle approval for the issue of Compulsorily Convertible Debentures on Preferential Allotment basis to Non-Promoters. BSE has given its in-principle approval by its letter no. DCS/PREF/AC/PRE/2282/2017-18 dated 17th October, 2017 for afore-mentioned issue of Compulsorily Convertible Debentures.

On the completion of 15 months, but within the period of 18 months, the Company has allotted equity shares to the allottees. Further the company made an application to the Bombay Stock Exchange for the purpose of listing of the securities. The BSE seeks a ratification resolution passed by the shareholders for the purpose of tenure of the CCDs.

As per the provisions of Regulation 162 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the erstwhile Regulation 75 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the conversion period of convertible securities shall not exceed 18 months but the Company has voluntarily taken 15 months for conversion on receipt of letter from the respective allottees for exercise of their right to convert their CCD's into equity shares of the company.

The Consent for Ratification of the shareholders is being sought pursuant to the provisions of section 62 and other applicable provisions of the companies Act, 2013, if any, and in terms of the provisions of the Listing Agreements executed by the company with the Stock Exchange in India in which the company's shares are listed.

The Board of Directors recommends the Special Resolution as set out under item No. 7 for approval of the members of the Company.

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

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

Place: Mohali
Date: 14.08.2019
Regd. Office:
E-217, Industrial Area,
Phase 8 B, Mohali

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

ANNEXURE TO THE AGM NOTICE

Details of Directors seeking Appointment/ Re-Appointment/ Continuation of appointment at the Annual General Meeting

Name of the Directors and DIN	Mr. Amit Mahajan (DIN: 00038593)	Mr. Udit Mayor (DIN: 02425273)	Mrs. Seema Mahajan (DIN: 06978146)	Mr. Amit Mahajan (DIN: 00038827)
Age	46 years as on 31.03.2019	40 years as on 31.03.2019	51 years as on 31.03.2019	45 years as on 31.03.2019
Qualification	B. Sc. (Economics)	B. A.	B. A.	Be (Mech.)
Experience/ Expertise	Mr. Amit Mahajan is a Businessman. He possesses over 24 years experience in handling commercial activities.	Mr. Udit Mayor is a Businessman. He has over 19 years experience in handling commercial activities.	Mrs. Seema Mahajan is a Business woman. She is running family business and actively participates in taking all the decisions of business. She possesses vast and rich experience in handling management and affairs of manufacturing company.	Mr. Amit Mahajan is a Businessman. He possesses over 24 years experience in handling operational activities.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	No change, as per last year.	Appointed as an Independent Director for five years w.e.f. 14th August, 2019. Only sitting fees shall be paid for attending Board and Committee meetings.	No change, as per last appointment on the Board.	No change, as per last year.
Remuneration last drawn by such person	Rs. 21.60 Lacs.	N. A.	Nil	Rs. 21.60 Lacs
Date of first appointment on the Board	19.05.1997	N. A.	10.11.2014	01.09.2006
Shareholding in the company	Holds 1350313 shares as on 31.03.2019	Nil	Nil	Holds 411450 shares as on 31.03.2019
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Being a promoter, Mr. Amit Mahajan is related to other promoters	Mr. Udit Mayor is not related to any Director or Key Managerial personnel of the Company	Mrs. Seema Mahajan is not related to any Director or Key Managerial personnel of the Company.	Being a promoter, Mr. Amit Mahajan is related to other promoters.
Number of Meetings of the Board attended during the year	7	N. A.	5	7
Other Directorships	Gulmohar Investments and Holdings Limited Susang Mac Private Limited Pride Properties Private Limited	T S I Industries Private Limited	Nil	Nil
Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Nil	Nil

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

Place: Mohali
Date: 14.08.2019
Regd. Office:
E-217, Industrial Area,
Phase 8 B, Mohali

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

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

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

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Thirtieth Annual General Meeting of the Company, to be held on Thursday, the 19th day of September, 2019 at 09.00 A.M at E-217, Industrial Area, Phase 8-B, Mohali (Punjab) and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

Ordinary Business

1. Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors
2. Re-appointment of Mr. Amit Mahajan, Director (Commercial) (DIN : 00038593) retiring by rotation

Special Business

- 3 To appoint Mr. Udit Mayor (DIN 02425273) as Independent Director on the Board of the Company.
- 4 Re-appointment of Mrs. Seema Mahajan (DIN 06978146) as an Independent Non-Executive Director.
- 5 Re-appointment of Mr. Amit Mahajan (Director- Commercial) as a whole time director of the Company
- 6 Re-appointment of Mr. Amit Mahajan (Director- Operations) as a whole time director of the Company
- 7 Ratification of the resolution regarding Preferential Issue of Compulsorily Convertible Debentures passed in the 28th AGM of the Company held on 18th September, 2017.

Signed this day of, 2019

Signature of Shareholder:

Affix
Revenue
.Stamp

Signature of Proxy Holder (s):

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

ATTENDANCE SLIP

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

**Thirtieth Annual General Meeting
September 19, 2019**

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

Folio No. _____

DP ID _____

No of Share(s) held _____

Client ID _____

Full name of the Member/Proxy attending the meeting

(First Name)

(Second Name)

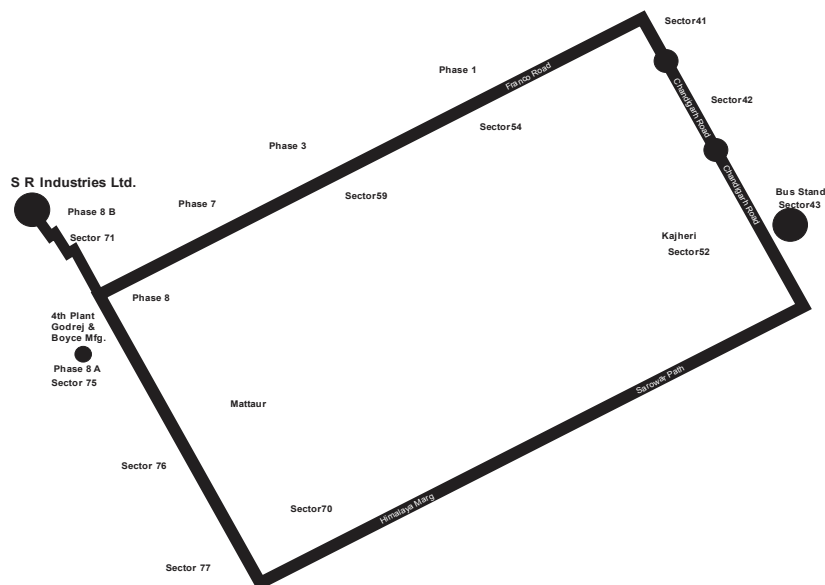
(Surname)

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

I hereby record my presence at the Thirtieth Annual General Meeting of the Company held on Thursday, the 19th day of September, 2019 at 09:00 a.m. at E 217, Industrial Area, Phase 8-B, Distt. Mohali, Punjab -160071.

Signature of the Member/Proxy

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



BOOK - POST

S .R. Industries Limited



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