Twenty Eighth Annual Report
2016-17

S. R. INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. R. K. Bhandari' *Chairman* DIN : 00354242	**Mr. R. C. Mahajan** *Managing Director* DIN : 00038661	**Mr. M. M. Puri** *Independent Director* DIN : 01711466
Mr. Amit Mahajan *Director (Commercial)* *DIN : 00038593*	**Mrs. Seema Mahajan** *Independent Director* *DIN : 06978146*	**Mr. Amit Mahajan** *Director (Operations)* *DIN : 00038827*

AUDIT COMMITTEE

Mr. R. K. Bhandari *Chairman*	**Mr. M. M. Puri** *Member*	**Mr. Amit Mahajan** *Member*

NOMINATION & REMUNERATION COMMITTEE

Mr. M.M. Puri *Chairman*	**Mr. R. K. Bhandari** *Member*	**Mrs. Seema Mahajan** *Member*

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mrs. Seema Mahajan *Chairman*	**Mr. Amit Mahajan** *Director (Operations), Member*	**Mr. Amit Mahajan** *Director (Commercial), Member*

RISK MANAGEMENT COMMITTEE

Mr. R. C. Mahajan *Chairman*	**Mr. Amit Mahajan** *Director (Operations)*	**Mr. Amit Mahajan** *Director (Commercial)*

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kulwinder Kaur (Resigned w.e.f 31.07.2017)

Ms. Samandeep Kaur (Appointed w.e.f. 08.08.2017)

CHIEF FINANCIAL OFFICER

Mr. Amit Mahajan

STATUTORY AUDITORS

M/s Kansal Singla & Associates

BANKERS

State Bank of Patiala
UCO Bank

REGD. OFFICE

E 217, Industrial Area,
Phase VIII B, Mohali-160055 (Punjab)

WORKS

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

TWENTY EIGHTH ANNUAL GENERAL MEETING

18th day of September, 2017 i.e Monday at 09.00 A.M. at the Registered Office of the Company at E-217, Industrial Area, Phase VIII B, Mohali.

- **NO GIFTS OR COMPANY'S PRODUCT WILL BE GIVEN FOR ATTENDING THE MEETING**
- **MEMBERS ARE REQUESTED TO KINDLY BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their TWENTY EIGHTH ANNUAL REPORT and the Audited Statement of Accounts for the year ended March 31, 2017.

FINANCIAL RESULT (Rs./lacs)

	2016-17	2015-16
Turnover	4473.43	3376.79
Export Incentive	0.00	0.00
Profit/(Loss) before interest, depreciation and taxation	875.64	630.58
Financial expenses	(597.29)	(604.29)
Profit/(Loss) before depreciation & taxation	278.35	26.29
Depreciation	(173.66)	(171.45)
Exceptional Items	-	(53.77)
Earlier Year Taxes	-	-
-Deferred Tax	-	-
(Expenses)/Income relating to earlier years	(22.3)	(7.47)
Net Profit/(Loss) after tax	82.39	(206.40)
Earning per share (Rs.)		
- Basic/Diluted	0.59	(1.48)

FUTURE PROSPECTS

The board of directors inform that the company produced 1.05 pairs of shoes, sandals and other footwear during the current year as against 0.86 million pairs during the previous year. This has been a result of improved demand in the past financial year in the branded footwear business. In addition to the increase in the number of pairs, the Company has improved its product mix by adding higher value products to increase revenues and profitability. With the improvement in product mix as well as new customer relationships, the Company is looking towards improved performance in the coming years.

DIVIDEND

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

TRANSFER TO RESERVES

The company has transferred ₹8,238,912 as profit during the year to Reserves & Surplus.

SHARE CAPITAL

The paid up Equity share capital as on 31st March, 2017 was ₹ 13.88 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity shares. There is no change in the share capital of the Company.

FINANCE

(a) Project Finance

The SLC limit stood at ₹0.40 crores as on 31st March 2017.

(b) Working Capital

The work capital limits stood at 20.71 crores as on 31st March, 2017.

(c) Term Loan

The term loan stood at 9.97 crores as on 31st March, 2017.

(d) Deposits

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

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

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

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business.

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 report.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATES COMPANIES

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

BUSINESS RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

RELATED PARTY TRANSACTIONS

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

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: 00038593), Director (Commercial), 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.

REMUNERATION POLICY

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

MEETINGS

During the year, five board meetings were held on 30th May 2016, 10th August 2016, 04th September 2016, 11th November, 2016 and 10th February 2017. 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 2016:

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, 2017, 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 31,2017 and of the loss of the company for the year ended on that date;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on a going concern basis;

v) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

1. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Board recommends the appointment of the statutory auditors, M/s N J & Associates, Chartered Accountants, Chandigarh, in place of the retiring auditors M/s Kansal Singla & Associates, Chartered Accountants, for the financial year 2017-18.

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 forming part of this report.

MANAGEMENT REPLY ON QUALIFICATION BY AUDITORS

The Management provides the following explanation for the adverse remarks/ qualifications made by the Secretarial Auditor during Secretarial Audit:

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

PARTICULARS OF EMPLOYEES

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

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

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

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: No increase

The percentage increase in the median remuneration of employees in the financial year: No increase

The number of permanent employees on the rolls of company: 386

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: No increase

Affirmation that the remuneration is as per the remuneration policy of the company: The Nomination and Remuneration Committee of the Company has confirmed that the remuneration was as per the Remuneration Policy of the Company.

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

Name & Desig-nation	Remune-ration received (in lacs)	Nature of Employ-ment	Qualifi-cations and Exper-ience	Date of comme-ncement employ-ment	Age (as on 31.03.17)	Last employ ment held before joining the Co.	% age of equity Shares held by the emplo yees in the Company	Whether any such employee is a relative of any director or manager of the company &if so, name of such director or manager
Munish Mahajan Vice President	18.0	Perma-nent	B.Com (Hons) 20+ yrs	1/4/15	45 yrs	Own Business	0	Yes He is Brother of Amit Mahajan Director (Comm) (DIN :00038593)
Arvind Kumar AGM	9.60	Perma-nent	B.Sc 10+ yrs	14/11/09	36 yrs	SSIPL	0	NO
Ashutosh Kumar QC Incharge	7.80	Perma-nent	B.Sc 10+ yrs	15/11/16	31 yrs	Mochiko Shoes	0	NO
Vikram Kr. Sharma Development Mgr.	17.80	Perma-nent	Dip. in Footwear, Graduation 8+ yrs	1/3/17	30 yrs	Alpine Shoes	0	NO
Sandeep Kumar Mgr. Development	7.80	Perma-nent	Dip. in Footwear 3+ yrs	1/10/15	26 yrs	Mochiko Shoes	0	NO
Rajesh Kaushal Mgr-Acct. & Fin.	7.20	Perma-nent	B.Com 30+ yrs	20/9/11	50 yrs	Astra Lighting	0	NO
Sanjeev Sharma Mgr- P & A	6.00	Perma-nent	B.A 29+ yrs	23/4/09	50 yrs	Self Employed	0	NO
C M Pandey Mgr- HR	6.00	Perma-nent	B.A 29+ yrs	23/4/09	50 yrs	Self Employed	0	NO
Manoj Kr. Dewedi Asstt. Manager	6.00	Perma-nent	B.A 29+ yrs	23/4/09	50 yrs	Self Employed	0	NO
Shawinder Chauhan Sr. Accounts Officer	6.00	Perma-nent	B.A 29+ yrs	23/4/09	50 yrs	Self Employed	0	NO

The provisions of rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of the limits provided under this rule are not applicable to the Company as none of the employees was in receipt of remuneration in excess of the limits during the financial year 2016-17.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

EXTRACT OF ANNUAL RETURN

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place: Mohali sd/-

Date : August 10, 2017 **(R.K.BHANDARI)**

Chairman

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the

Companies (Accounts) Rules, 2014)

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

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

(b) Nature of contracts/arrangements/transactions: NIL

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

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

(e) Justification for entering into such contracts or arrangements or transactions: NIL

(f) date(s) of approval by the Board: NIL

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

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

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

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

Mr. Munish Mahajan- Brother to Mr. Amit Mahajan, Director (Commercial)

(b) Nature of contracts/arrangements/transactions:

Employment

- Duration of the contracts/arrangements/transactions:

Permanent employment

- Salient terms of the contracts or arrangements or transactions including the value, if any:

General terms of employment as applicable on other employees.

(e) Date(s) of approval by the Board, if any:

13.02.2015

(f) Amount paid as advances, if any:

Nil

For and on behalf of the Board

Place: Mohali sd/-

Date : August 10, 2017 **(R.K.BHANDARI)**

Chairman

ANNEXTURE - 1

RISK MANAGEMENT POLICY

BACKGROUND

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

For this purpose, this document is intended to formalize a risk management policy, the objective of which shall be identification, evaluating, monitoring and minimizing identifiable risks.

OBJECTIVE AND PURPOSE OF THE POLICY

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

The specific objectives of the Risk Management Policy are:

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

IMPLEMENTATION

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

IDENTIFICATION OF RISKS

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

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

KIND OF RISKS

Operational Risks

Political Risks

Regulatory Risks

Social Risks

International Risks

The risks can further be categorized as:

(1) Minimal

(2) Moderate

(3) Extreme

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

MANAGEMENT OF THE RISKS

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

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

APPLICATION

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

ROLE OF THE BOARD

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

1. The Board shall be responsible for framing, implementing and monitoring the risk management plans for the Company.
2. The Board shall define the roles and responsibilities of the Risk Management Committee, as and when required or applicable to the Company and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
3. Ensure that the appropriate systems for risk management are in place.
4. The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible.
5. Participate in major decisions affecting the organization's risk profile.
6. Have an awareness of and continually monitor the management of strategic risks.
7. Be satisfied that the processes and controls are in place for managing less significant risks.
8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly.
9. Ensure risk management is integrated into Board reporting and annual reporting mechanisms.
10. Convene any Board Committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

AMENDMENTS

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

Annexure 2

VIGIL MECHANISM / WHISTLE BLOWER POLICY

BACKGROUND

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

POLICY OBJECTIVES

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

SCOPE OF THE POLICY

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

DEFINITIONS

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

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

1. Protected Disclosures should be reported in writing by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or Punjabi.
2. The protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected Disclosure under the Whistle blower Policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Nodal Officer will not issue any acknowledgment to the complainant and the complainants are advised neither to write a name/address of the complainant on the envelope nor to enter into any further correspondence with the Nodal Officer/Audit Committee. The Audit Committee assures that in case of any further clarification is required he will get in touch with the complainant.

3. Anonymous/Pseudonymous disclosure shall not be entertained by the Nodal Officer.
4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer/Managing Director/ Chairman of the Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
5. All Protected Disclosures should be addressed to the Nodal Officer of the Company. The contact detail of the Nodal Officer is as under:

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

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

Name and Address of Managing Director	**Mr. Ramesh Chander Mahajan** **S R Industries Limited** **H. No. 114, Sector 7, Panchkula**
Name and Address of the Chairman of the Audit Committee	**Mr. Ramesh Kumar Bhandari** **S R Industries Limited** **H.No-79, Sector-10, Chandigarh**

7. On receipt of the Protected disclosure the Nodal officer/Managing Director/Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the Protected disclosure or not before referring the matter to the Audit committee of S R industries Limited for further appropriate investigation and needful action. The record will include:

a) Brief facts;
b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
c) Whether the same Protected Disclosure was raised previously on the same subject;
d) Details of actions taken by Nodal Officer/Managing Director for processing the complaint.
e) Findings of the Audit committee;
f) The recommendations of the Audit Committee/other action(s).

8. The Audit Committee if deems fit, may call for further information or particulars from the complainant.

INVESTIGATION

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

DECISION AND REPORTING

1. Audit Committee along with its recommendations will report its findings to the Managing Director through the Nodal Officer within 15 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal officer, the complainant and the subject.
2. In case the subject is a Nodal Officer of the Company, the Protected Disclosure shall be addressed to the Managing Director who, after examining the Protected disclosure shall forward the matter to the Audit committee. The Audit committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the Managing Director. After considering the report and recommendation as aforesaid, Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.
3. In case the subject is the Managing Director of the company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee, if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
4. If the report of investigation is not to the satisfaction of the complainant, the complainant has been right to report the event to the appropriate legal or investigating agency.
5. A complainant who makes false allegations of unethical and improper practices or about wrongful conduct of the subject to the Nodal Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

SECRECY / CONFIDENTIALITY

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

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

PROTECTION

1. No unfair treatment will be meted out to a whistle blower by virtue of his/her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers. Complete protection will, therefore, be given to whistle blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize

difficulties, which the whistle blower is required to give evidence in criminal or disciplinary proceedings, the company will arrange for the whistle blower to receive advice about the procedure etc.

2. A whistle blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his detail public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorised to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the whistle blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
4. Any other employee assisting in the said investigation shall also be protected to the same extent as the whistle blower.
5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

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

COMMUNICATION

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

RETENTION OF DOCUMENTS

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

ADMINISTRATION AND REVIEW OF THE POLICY

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

ANNUAL AFFIRMATION

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

Annexure 3

NOMINATION, REMUNERATION AND EVALUATION POLICY

INTRODUCTION

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

The primary objective of the Policy is to provide a framework and set standards for their nomination, remuneration and evaluation of Directors, Key Managerial Personnel and officials comprising the Senior Management.

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

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

Key Managerial Personnel ("KMP") means:

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

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

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

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

COMMITTEE MEMBER'S INTEREST

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

VOTING

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

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

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

RESPONSIBILITIES OF THE COMMITTEE

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

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

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

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

Assessing the independence of independent directors;

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

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

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

To devise a policy on Board diversity;

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

RESPONSIBILITIES OF THE BOARD

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

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

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

RESPONSIBILITIES OF INDEPENDENT DIRECTORS

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

1. Limit on number of directorships:

a) A person shall not serve as an independent director in more than seven listed companies.

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

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

3. Qualifications of independent director:

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

4. Guidelines of professional conduct:

An independent director shall:

a) Uphold ethical standards of integrity and probity;

b) Act objectively and constructively while exercising his duties.

c) Exercise his responsibilities in a bona fide manner in the interest of the company;

d) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;

e) Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

f) Not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

g) Refrain from any action that would lead to loss of his independence;

h) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

i) Assist the company in implementing the best corporate governance practices.

5. Role and functions:

The independent directors shall:

a) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

b) Bring an objective view in the evaluation of the performance of board and management;

c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of the performance;

d) Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

e) Safeguard the interests of all stakeholders, particularly the minority shareholders;

f) Balance the conflicting interest of the stakeholders;

g) Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

6. Duties:

The independent directors shall:

a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

b) Seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

c) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;

e) Strive to attend the general meetings of the company;

f) Where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board Meeting;

g) Keep themselves well informed about the company and the external environment in which it operates;

h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

i) Pay sufficient attention and ensure that adequate deliberations held before approving related party transactions and assure themselves that the same are in the interest of the company;

j) Ascertain and ensure that the company as an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

k) Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

l) Acting within its authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

m) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

7. Separate Meetings:

a) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

b) All the independent directors of the company shall strive to be present at such meeting;

c) The meeting shall:

(i) Review the performance of non- independent directors and the Board as a whole;

(ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non – executive directors;

(iii) Assess the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the Board to effectively and reasonably perform their duties.

8. Evaluation mechanism:

a) The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors

b) The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report

c) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated

d) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director

9. Training of Independent Directors

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

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

APPOINTMENT OF DIRECTORS / KMPs / SENIOR OFFICIALS

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

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

a) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiency of the Company

b) The skills and experience that the appointee brings to the role of KMP / Senior official and how an appointee will enhance the skill sets and experience of the Board as a whole

c) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment

2. Personal Specifications:

2.1 Degree holder in relevant disciplines

2.2 Experience of management in a diverse organization

2.3 Excellent interpersonal, communication and representational skills

2.4 Demonstrable leadership skills

2.5 Commitment to high standards of ethics, personal integrity and probity

2.6 Commitment to the promotion of equal opportunities, community cohesion and health and safety at the workplace

2.7 Having continuous professional development to refresh knowledge and skills

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

3. Letters of Appointment:

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

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

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

EVALUATION FACTORS

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

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

Rating Scale

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

INDEPENDENT DIRECTORS

OVERALL RATING

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of the Company
- Assistance in implementing Corporate Governance practices
- Rendering independent, unbiased opinion
- Attendance & presence in General Meetings
- Leadership qualities
- Qualifications
- Disclosure of non- independence, if exists
- Independent view on key appointments and Strategy formulation
- Objective evaluation of board's performance
- Review of integrity of financial information and risk management
- Safeguard of stakeholders' interests
- Appointment & Removal of KMPs
- Determination of level of remuneration of KMPs
- Updation of skills & knowledge
- Punctuality
- Information regarding external environment
- Seeking expert opinion, when required
- Raising of concerns to the Board
- Safeguarding interest of whistle-blowers under vigil mechanism
- Reporting of frauds, violations, etc.
- Team work attributes
- Safeguard of confidential information

NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

OVERALL RATING

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

COMMITTEES OF BOARD

The Board has constituted the following committees:

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

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

OVERALL RATING

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

REVIEW

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

DISCLOSURE

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance , performance of various committees of Directors and individual directors' performance will be made by the Board of Directors in the Board's Report. Further, the Board's report containing such statement will be made available for the review of shareholders at the General Meeting of the Company.

Annexure 4

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

1. CONSERVATION OF ENERGY

a) Energy conservation measures taken

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

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

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

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

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

Form A

Form for disclosure of particulars with respect to conservation of energy

A) POWER AND FUEL CONSUMPTION

S. NO.	PARTICULARS	2016-17	2015-16
1	**ELECTRICITY**		
	Purchased Units (in Lacs)	15.68	12.38
	Total Amount (Rs/Lacs)	110.09	84.27
	Average Rate/Unit (Rs.)	7.02	6.81
2	**OWN GENERATION**		
	Through Diesel Generator		
	Unit (in Lacs)	0.57	0.35
	Unit/Ltr. of Diesel Oil	3.10	3.10
	Average Cost/Unit(Rs.)	17.43	15.34
3	**WOOD**		
	Wood (M.T.)	963.80	740.67
	Total Amount (Rs/Lacs)	40.48	31.10
	Average Rate (Rs/M.T.)	4.20	4.20

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2015-16	2015-16
	Footwear (Million Pairs)	1.05	0.86
	Electricity (KwH/Pairs)	1.49	1.44
	Diesel (Ltr./Pairs)	0.01	0.01
	Pet Coke/ Wood (M.T./Pairs)	0.0009	0.0008

1. TECHNOLOGY ABSORPTION

A. Research & Development (R&D)

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

The company is constantly working towards creating formulation of Rubber involving fewer chemicals. It is also working towards usage of water based adhesives in the manufacturing of footwear.

b. Benefits derived as a result of R & D

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

c. Future plan of action

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

d. Expenditure on R & D

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

B. Technology absorption, adaptation and innovation

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

2. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

b) Total Foreign Exchange earned and used

(Rs./lacs)

S.NO.	PARTICULARS	2015-16	2015-16
1	Foreign Exchange earned (including deemed exports)	128.85	121.9
2	Foreign exchange used	59.63	131.87
3	Net Foreign Exchange earned	(69.22)	(9.88)

ANNEXURE '5'

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on March 31st, 2017

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

➢ REGISTRATION AND OTHER DETAILS :

CIN	**L29246PB1989PLC009531**
Registration Date	19/07/1989
Name of the Company	S R Industries Limited
Category / Sub-Category of the Company	Public Company/Limited by Shares/Non Govt. Company
Address of the Registered office	F-110, Industrial area, Phase VII, Mohali (Punjab)
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre,Naraina Industrial Area, Phase 1, New Delhi-110028 Tel: 011-41410592-94 Fax:41410591 e-mail: delhi@linkintime.co.in

➢ PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

➢PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

➢ SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

1. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year (as on 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2015)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A PROMOTERS									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual /HUF	4165990	0	4165990	29.94	4165990	-	4165990	29.94	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Body Corporates	1523275	0	1523275	10.95	1523275	-	1523275	10.95	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(1)	**5689265**	**0**	**5689265**	**40.88**	**5689265**	**-**	**5689265**	**40.88**	**-**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(2)									
TOTAL SHARE HOLDING OF PROMOTER (A)=(A)(1)+(A)(2)	**5689265**	**0**	**5689265**	**40.88**	**5689265**	**0**	**5689265**	**40.88**	**-**
B PUBLIC SHAREHOLDING									
1 Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-		
i) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2 Non-institutions	-	-	-	-	-	-	-	-	-
a) Body Corporates	-	-	-	-	-	-	-	-	-
i) Indian	177166	248000	425166	3.05	880231	248000	1128231	8.11	5.05
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	1871004	1518910	3389914	24.36	1871004	1518910	3389914	24.36	7.94
II) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	3291749	-	3291749	23.65	3291749	-	3291749	23.65	-56.28
c) Others	-	-	-	-	-	-	-	-	-
i)Non Resi. Indians	61546	-	61546	0.44	61546	-	61546	0.44	0.33
ii)HUF	47510	-	47510	0.34	339026	-	332690	2.44	2.09
ii)Clearing Member	15869	-	15869	0.14	15869	-	15869	0.11	-0.03
SUB TOTAL (B)(2)	**1580998**	**12334602**	**13915600**	**99.99**	**6456225**	**1770510**	**8226735**	**59.12**	**-**
TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2)	**1580998**	**12334602**	**13915600**	**99.99**	**6456225**	**1770510**	**8226735**	**59.12**	**-**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	**1580998**	**12335002**	**13915600**	**100**	**12145490**	**1770510**	**1391600**	**100**	**-**

2. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2015)			%change in share holding during the year
		No. of Shares	%of total shares of the Company	% of shares pledged/ encum to total shares	No. of Shares	%of total shares of the Company	% of shares pledged/ encum to total shares	
1	Amit Mahajan	2592390	18.63	5.34	2592390	18.63	5.34	-
2	Ramesh Chander	510800	3.67	3.66	510800	3.67	3.66	-
3	Amit Mahajan	411450	2.96	1.83	411450	2.96	1.83	-
4	Anuj Mahajan	406250	2.92	0.74	406250	2.92	0.74	-
5	Suman Mahajan	185100	1.33	1'.01	185100	1.33	1'.01	-
6	RC Mahajan (Karta)	50000	0.36	0.00	50000	0.36	0.00	-
7	Munish Mahajan	10000	0.07	0.00	10000	0.07	0.00	-
8	Universal Cyber Infoway Pvt Ltd	951100	6.83	0.00	951100	6.83	0.00	-
9	Pride Properties Pvt Ltd	312675	2.25	1.51	312675	2.25	1.51	-
11	Susang Mac Pvt Ltd	259500	1.86	1.86	259500	1.86	1.86	-

3. Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
.		No. of Shares	% of total Shares of Company	No. of Shares	% of total Shares of Company
1.	At the beginning of the year	5689265	40.88	5689265	40.88
	Datewise increase/decrease in promoters shareholding during the year	No Change	No Change	No Change	No Change
	At the end of the year	5689265	40.88	5689265	40.88

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 2016		Cumulative shareholding at the end of the year 2017	
		No. of Shares Held	% of total Shares of Company	No. of Shares of Held	% of total Shares of Company
1	Meenakshi Sud*	649005	4.66	654505	4.07
2	Kamal M Jagwani	332536	2.39	332536	2.39
3	Foujdar Avinash Sudhakar	324490	2.33	327685	2.35
4	Swavin Business Consultants Pvt. Ltd.	231973	1.67	231973	1.67
5	Jatinder Kumar Mittal	207701	1.49	207701	1.49
6	Jitender Mittal	147579	1.06	147579	1.06
7	ZOOM MERCANTILE & FINANCE LTD	144350	1.04	144350	1.04
8	DUBY REX	130000	0.93	130000	0.93
9	Sachdeva Onion Co. Pvt. Ltd.	102162	0.73	102162	0.73
10	Atul Kayan	100000	0.72	100000	0.72

5 Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at begining of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No.of shares	% of total shares of the Comp-any				No. of Shares	% of total shares of the Comp-any
1	Mr. R. C. Mahajan	510800	3.67	-	-	-	510800	3.67
2	Mr. Amit Mahajan Director (Oper)	411450	2.96	-	-	-	411450	2.96
3	Mr. Amit Mahajan Director (Comm.)	2592390	18.63	-	-	-	2592390	18.63
4	Mr. R K Bhandari	-	-	-	-	-	-	-
5	Mr. M M Puri	-	-	-	-	-	-	-
6	Mrs Seema Mahajan	-	-	-	-	-	-	-

➢ **INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indeb tedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount (Excl. Interest)	13.17	5.55	-	18.72
ii) Interest due but not paid	0.49		-	0.49
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	13.66	5.55	-	19.21
Change in Indebtedness during the financial year				
Addition	-	1.68	-	1.68
Reduction	3.69	2.21	-	5.90
Net Change	-3.69	0.53	-	-4.22
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	9.69	5.02	-	14.71
ii) Interest due but not paid	0.28	-	-	0.28
iii) Interest accrued but not due	-	-	-	
TOTAL (i+ii+iii)	**9.97**	**5.02**	**-**	**14.99**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars	Name of MD/ of Remuneration WTD/Manager			Total Amount
		R. C. Mahajan	Amit Mahajan Director (Operations)	Amit Mahajan Director (Comm.)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36.00	21.60	21.60	79.20
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1.84	-	2.20	4.04
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	As % of profit	-	-	-	-
	Others, specify	-	-	-	-
5.	Others	-	-	-	-
	Total (A)	**37.84**	**21.60**	**23.80**	**83.24**
Ceiling as per the Act		As per Schedule V of the Companies act, 2013			

ii) Remuneration to other directors

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

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

Sr. No.	Particulars Remuneration	Key Managerial Personnal		Total Amount
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2.85	-	2.85
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	As % of profit	-	-	-
	Others, specify	-	-	-
5.	Others	-	-	-
	Total	**2.85**	**-**	**2.85**

VII. Penalties/Punishments/Compounding of Offences

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

Annexure 6

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The members,
S R Industries Ltd

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

Based on my verification of the S R Industries Ltd's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechansim in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company, for the Financial Year ended on 31st March 2017 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 made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commrecial Borrowings
5. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of shares and takeovers) Regulations, 2011

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

   c) The Securities and Exchange Board of India (Registrar to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client
6. Factories Act, 1948
7. Industrial Disputes Act, 1947
8. The Payment of Wages Act, 1936
9. The Minimum Wages Act, 1948
10. Employees' State Insurance Act, 1948
11. The Employees' Provident Fund and Misc. Provisions Act, 1952
12. The Payment of Bonus Act, 1965
13. The Payment of Gratuity Act, 1972
14. The Industrial Employment (Standing Orders) Act, 1946
15. The Employees' Compensation Act, 1923
16. The Apprentices Act, 1961
17. Equal Remuneration Act, 1976
18. The Employment Exchange (Compulsary Notifications)
19. The Environment (Protection) Act, 1986
20. The Hazardous Waste (Management, Handling & Trans boundary movement) Rules, 2008
21. The Water (Prevention and Control of Pollution) Act, 1974
22. The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

(i) The Listing Agreement entered into by the Company with BSE Stock Exchange.

(ii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was delay in depositing provident fund as applicable to Company under the Employees Provident Fund and Misc. Provisions Act, 1952 due to shortage of Funds.
2. There was delay in depositing the amount under Employees' State Insurance Act, 1948 due to shortage of Funds.

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

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

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

Place: Chandigarh
Date : May 5, 2017

R.P. 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 27TH Annual General Meeting held on 29th September 2016.
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 5, 2017

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

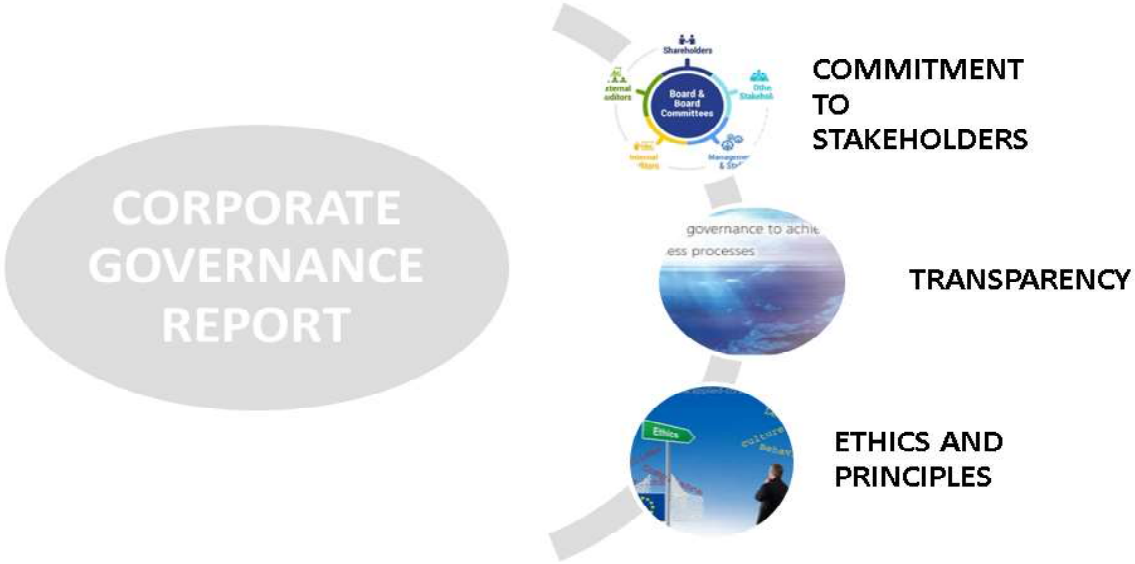
Annexure II

I report that the Company has, in my opinion, Followings are the adverse Remarks during Secretarial Audit:-

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.

Place: Chandigarh
Date : May 5, 2017

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



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes that Corporate Governance is the driving force that governs and steers the Company towards achieving its goal ensuring transparency, accountability, responsibility and integrity. The Company believes in abiding by the Code of Corporate Governance so as to be a responsible corporate citizen and to serve the best interests of all stakeholders and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant material information in an easily understood manner and by being fair to all stakeholders and by ensuring that the Company's activities are managed by a professionally competent Board of Directors.

The Company has over the years followed the best practices of Corporate Governance by adhering to the practices laid by the Management and the principles and directions laid down by the Securities Exchange Board of India or other regulatory framework, issued from time to time. The Company has also followed the implementation of schedule of Corporate Governance Code as mentioned in erstwhile Clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Directors are pleased to report the same as under:

BOARD OF DIRECTORS

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

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

Sl. No	Name of Director	Category	No. of Board Meeting(s) attended	Attendance at Previous AGM held on September 30, 2016	No. of Outside Directorship(s) held (**) As Director	As Chairman	No. of Membership(s)/ Chairmanship(s) in other Committees (***) As Member	As Chairman
1.	Mr.R.K.Bhandari (DIN 00354242)	Non-Executive & Independent	4	YES	3	1	1	1
2.	Mr.R.C.Mahajan (DIN 00038661)	Managing Director	5	YES	2	–	–	–
3.	Mr.Amit Mahajan (DIN 00038593)	Whole-time Director	5	YES	4	–	–	2
4.	Mr.Amit Mahajan (DIN 00038527)	Whole-time Director	5	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.

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

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Name of the Director	Designation	Relation inter-se
Mr. Ramesh Kumar Bhandari	Chairman	Independent Director
Mr. Ramesh Chander Mahajan	Managing Director	Being a promoter he is related to other promoters& relative of Mr. Amit Mahajan, Director Operations
Mr. Amit Mahajan	Director (Operations)	Being a promoter he is related to other promoters& relative of Mr. Amit Mahajan, Director Operations
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 May 31, 2017, inter alia, to discuss:

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

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

BOARD MEETINGS AND ATTENDANCE

During the year ended March 31, 2016, 5 Board Meetings were held on the following dates –

Date of Meeting	Particulars of Board Meeting	Board Strength	No. of Directors Present
May 30, 2016	179th	6	6
August 10, 2016	180th	6	6
September 4, 2016	181th	6	4
November 11, 2016	182th	6	6
February 10, 2017	183th	6	6

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

Composition of Committee

Mr. Ramesh Kumar Bhandari, Chairman	Chairman
Mr. Madam 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 2016, 10th August 2011, 11th November 2016 and 10th February 2017. 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 4 times on 30th May 2016, 10th August 2016, 11th November 2016 and 10th February 2017.

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. M. M. PURI, Independent Director	4	4
MR. R. K. BHANDARI, Chairman	1	1
MR. AMIT MAHAJAN, Director (Operations)*	3	3

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

- **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee comprises of:

NAME	DESIGNATION
MRS. SEEMA MAHAJAN, INDEPENDENT DIRECTOR	CHAIRMAN
MR. AMIT MAHAJAN, DIERCTOR (OPERATIONS)	MEMBER
MR. AMIT MAHAJAN, DIERCTOR (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. Kulwinder Kaur appointed w.e.f 01.07.2016

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 annexed with Board's report.

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 184th Meeting held on 10th February 2017.

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. The chairperson of the audit committee was also present at the Annual general meeting of the company.

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 nomination and remuneration committee was also present at the Annual general meeting 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/8/3/9/7/83970 24/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 familarisation 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 184th Meeting held on 30th May 2017.

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
29.09.2016	27th Annual General Meeting for the Financial Year 2015-16	09.00 A. M.	F-110, Ind. Area, Phase VII, Mohali	Yes
30.09.2015	26th Annual General Meeting for the Financial Year 2014-15	11.00 A. M.	F-110, Ind. Area, Phase VII, Mohali	Yes
29.09.2014	25th Annual General Meeting for the Financial Year 2013-14	09.15 A. M.	F-110, Ind. Area, Phase VII, Mohali	No
27.09.2013	24th Annual General Meeting for the Financial Year 2012-13	09.15 A. M.	F-110, Ind. Area, Phase VII, Mohali	Yes

No special resolution through Postal Ballot was passed last year or is proposed to be passed this year.

MEANS OF COMMUNICATION

i) Quarterly Results

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

ii) Newspapers wherein results normally published

Financial Express – all editions and Rozana Spokesman

iii) Website where displayed

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

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

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

DISCRETIONARY REQUIREMENTS

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

a) The Board

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

b) Shareholder Rights

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

c) Modified opinion(s) in audit report

The Company's financial statements for the financial year ending 31st March 2017 does not contain any audit qualification and thus, unmodified auditor's report has been submitted. A declaration to this effect has also been submitted by the company to the stock exchange duly signed by the Managing Director of the company in compliance with the SEBI circular no. CIR/CFD/CMD/56/2016 dated 27th May 2016.

d) Separate posts of chairperson and chief executive officer

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

e) Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER'S INFORMATION

1. ANNUAL GENERAL MEETING

The Twenty Eighth Annual General Meeting of the Company is scheduled to be held on , the 29th day of September, 2017 at 09.00 A.M. at the Registered Office of the Company at F-110, Industrial Area, Phase-VII, Mohali, Punjab.

2. FINANCIAL YEAR

The Financial Year for which the Report / Accounts pertain is from 1st April, 2016 to 31st March, 2017.

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 2016-17 has been paid to the Bombay Stock Exchange (BSE).

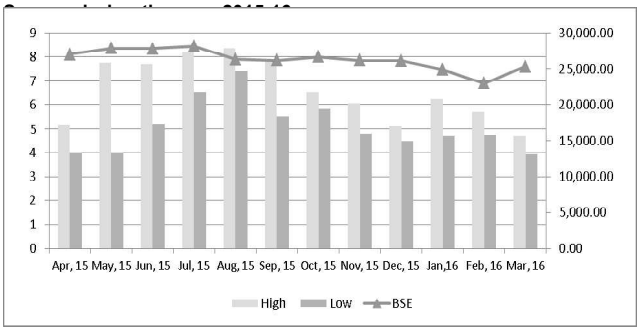
6. STOCK CODE-

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

7. MARKET PRICE DATA (BSE)

MONTH	HIGH PRICE (₹)	LOW PRICE ()
April, 2015	5.19	4
May, 2015	7.75	4.01
June, 2015	7.7	5.23
July, 2015	8.19	6.51
August, 2015	8.34	7.41
September, 2015	7.84	5.5
October, 2015	6.5	5.8
November, 2015	6.05	4.8
December, 2015	5.14	4.48
January, 2016	6.21	4.7
February, 2016	5.7	4.75
March, 2016	4.7	3.91

Stock Performance of S. R. Industries Ltd. on BSE vis-à-vis BSE



8. REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

9. SHARE TRANSFER SYSTEM

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

Relationship Committee.

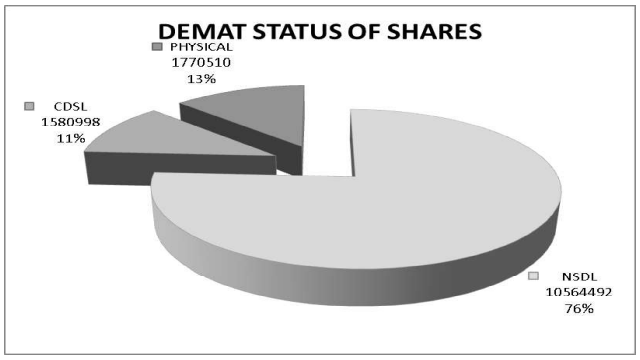
8. DISTRIBUTION OF SHAREHOLDING

SHARE HOLDINGS	NO. OF SHARE HOLDERS	% OF TOTAL	SHARES	% OF TOTAL
1-500	8594	87.85	1682762	12.09
501-1000	626	6.4	555810	4
1001-2000	253	2.58	402182	2.89
2001-3000	82	0.84	212580	1.52
3001-4000	35	0.36	126369	0.91
4001-5000	55	0.56	267021	1.92
5001-10000	50	0.51	382490	2.75
Above 10001	88	0.9	10286786	73.92
Total	**9783**	**100**	**13916000**	**100**

9. DEMATERIALISATION OF SHARES AND LIQUIDITY

The details of paid up capital as on 31st March 2017 is as under:

MODE OF HOLDING	NO. OF SHARES	PERCENTAGE
NSDL	10781287	77.47
CDSL	1367403	9.83
PHYSICAL	1767310	12.70
TOTAL	**13916000**	100



The ISIN of the Company is INE329C01011. As on 31st March 2017, 87.28% equity shares were dematerialized in the two depositories – NSDL and CDSL.

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

The Company has no outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2017.

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 VII-B, Mohali.

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

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

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

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

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

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

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

g) Disclosure of commodity price risks and commodity hedging activities

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaime.

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, 2017.

Place: Mohali — For S. R. Industries Ltd

Date: August 10, 2017 — 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, 2017, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [applicable w.e.f. 1st December, 2015].

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

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

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

Sd/-
Date: August 4, 2017 Sanjiv Kumar Goel
Place: Chandigarh C. P.: 1248

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

To,

The Board of Directors

S R Industries Ltd

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

Sd/-	Sd/-
(R. C. Mahajan)	(Amit Mahajan)
Managing Director	Chief Financial Officer
DIN: 00038661	DIN: 00038593

OVERVIEW

I) INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian footwear industry holds a crucial place in the Indian economy for its potential for employment, especially for weaker sections of the society and for supporting economy through its foreign exchange earnings. 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 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 is now largely concentrated in the unorganized / unbranded segment. However, the market scenario is changing rapidly and the Indian consumer is now becoming more and more quality and brand conscious. The domestic footwear segment is expected to show a year-on-year growth of 13%. The per capita consumption of footwear in India is expected to increase from current level of about 2 pairs to 3-4 pairs by 2020. Hence, India needs to scale-up its footwear production for the domestic industry from the present level of 2 billion pairs to about 5 billion pairs by 2020so as to meet the significant increase in the consumption.

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 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.

III) SEGMENT-WISE OR PRODUCT- WISE PERFORMANCE

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

IV) OUTLOOK

The outlook for the company remains positive. The present order book position of the company is excellent and demand is continuing to grow.

V) RISKS AND CONCERNS

The ongoing crisis in the Euro zone has led to moderation in footwear demand; the exports from India were further impacted on account of the appreciation of rupee against Euro. There has been an evident increase in exports to USA, though the footwear demand from the European continent has weakened in the recent quarters, which is a cause of concern. 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 2016-17 increased from ₹344,307,689 in 2015-16 to 452,677,700. The company during the year sold 1.07 million pairs as against 0.83 million pairs of footwear during last year. The production during the financial year was 1.05 million pairs of footwear as against 0.86 million pairs during previous year.

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

Profit before depreciation, interest and taxation during the financial year increased from 630.58 lacs to 875.64 lacs. The depreciation for the year was 173.65 lacs as against 171.45 lacs during last year. The financial expenses during the year 2016-17 decreased from 604.29 lacs to 597.29 lacs.

The profit before tax during the year is 82.38 lacs as against a loss of 206.39 lacs in the previous year.

The Earning per share (EPS) during the year was 0.59 as compared to (1.48) for last year. The diluted EPS of 0.59 was arrived at by conversion of the weighted average no. of shares that may be issued on conversion or convertible warrants on account of requirements of the accounting standards.

The company has posted a net profit of 82.38 lacs during the year as against net loss of 206.39 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, 2016, the company employed 292 employees. During the fiscal 2016, we recorded 57 new hires, net of attrition.

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

IX) SAFE HARBOUR

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

Independent Auditor's Report

To

The Members of

S.R INDUSTRIES LTD.

Chandigarh.

A.Report on the Financial Statements

We have audited the accompanying financial statements of S.R INDUSTRIES LTD., which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

B.Management's Responsibility for the Financial Statements

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

C.Auditor's Responsibility

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

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

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

D.Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

b) In the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

E.Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (3) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of The Act.

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of Section 164 of The Act.

   f) In our opinion, the Company has adequate internal financial control system and the same are operating effectively.

   g) In our opinion and to the best of our information and according to the explanations given to us, we report as under, with respect to other matters to be included in the Auditor's Report, in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

   I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no. 22.1 to the financial statements and Para 7 of the Annexure of our report below.

   II. The Company did not have any long-term contracts including derivative contracts.

   III. As per information and explanations given to us, the Company was not required to transfer any amount in Investor Education and Protection Fund.

   IV. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes(SBN's) during the period from 9Th November 2016 to 30th December 2016, which is in accordance with the books of accounts maintained by the company [Refer Note No.22(XX)]

For KANSAL SINGLA & ASSOCIATES,
Chartered Accountants

Place: Chandigarh
Date: 30.05.2017

(CA. SHRI KRISHAN KANSAL)
PARTNER
M.No.080632
FRN 003897N

The Annexure referred to in paragraph E-1 of the Our Report of even date to the members of S.R.INDUSTRIES LTD. on the accounts of the Company for the period ended 31st March, 2017.

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

1. **IN RESPECT OF ITS FIXED ASSETS:**

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.

   c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

   d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company and the original documents of which are in the custody of the lenders.

2. **IN RESPECT OF INVENTORIES:**

   The inventories have been physically verified during the year by the management.As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records. However minor discrepancies have been found in stores and spares and the same has been adjusted in consumption of the same.

3. **IN RESPECT OF LOANS GIVEN:**

   According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company

has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 189 of the Act.

4. IN RESPECT OF COMPLAINCE OF SECTION 185 & 186 OF COMPANIES, ACT

In our opinion and according to the information and explanations given to us, the Company has not made loans, investments, guarantees and security in contravention with the provisions of Section 185 and 186 of the Act.

5. IN RESPECT OF DEPOSITS FROM PUBLIC:

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

6. COST ACCOUNTING RECORDS:

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

7. IN RESPECT OF STATUTORY DUES:

The Company is not regular in depositing undisputed statutory dues with the appropriate authorities such as Gratuity, ESI, EPF, TCS, TDS, Excise Duty, Service Tax and CST. Further, as at 31st March 2016, there are dues outstanding for a period of more than six months from the date they became payable which are as under :-

Nature of Dues	*Amount(' in lacs)*	*Period to which the amount relates*
Employees' Provident Fund	*2994038.00*	*Financial Year 2016-17*
Employees' Provident Fund	*2089852.00*	*Financial Year 2015-16*
Service Tax Payable	*157190.00*	*Financial Year 2015-16*

8. REPAYMENT OF DUES:

Based on our audit procedures and according to the information and explanations given to us, the Company has paid dues to banks with certain delays. The overdue amounts as at 31st March 2017 were Rs. 53.30 lacs.

9. END-USE-OF BORROWINGS:

As per the information and explanations given to us, we report that the Company has not raised any term loan during the year. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

10. FRAUDS:

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. MANAGERIAL REMUNERATION

According to the information and explanations given to us, the Company has paid managerial remuneration in compliance with the provisions of Section 197 read with Schedule V of the Act.

12. NIDHI COMPANY

In our opinion and according to the information and explanations given to us, the Company does not fall under the category of Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. TRANSACTIONS WITH RELATED PARTIES

According to the information and explanations given to us and based on our examination of the records of the Company, the company has complied with the provisions of section 177 and 188 of the act in respect of transactions made with the related parties.

14. PREFERENTIAL ALLOTMENT

During the year the Company has not made Preferential Allotment or private placement of shares during the year and so, provisions of section 42 of the Act are not applicable.

15. NON-CASH TRANSACTIONS

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them during the year.

16. SECTION 45-IA

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For KANSAL SINGLA & ASSOCIATES
Chartered Accountants

Place: Chandigarh
Date: 30.05.2017

(CA SHRI KRISHAN KANSAL)
PARTNER
MNO.080632
FRN: 003897N

BALANCE SHEET AS AT MARCH 31, 2017

S.N.	PARTICULARS	NOTE No.	AS AT 31.03.2017 (Rs.)	AS AT 31.03.2016 (Rs.)
I	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' Funds**			
	Share Capital	**2**	**284,882,000**	284,882,000
	Reserves & Surplus	**3**	**(252,664,443)**	(260,903,356)
(2)	**Non-Current Liabilities**			
	Long Term Borrowing	**4**	**97,734,378**	152,009,404
	Long Term Provisions	**5**	**7,676,963**	3,339,269
(3)	**Current Liabilities**			
	Short Term Borrowings	**6**	**207,120,447**	201,363,685
	Trade Payables	**7**	**76,687,109**	110,414,719
	Other Current Liabilities	**8**	**80,981,396**	68,764,063
	Short Term Provisions	**9**	**6,619,451**	6,048,554
	Total		**509,037,301**	565,918,337
II	**ASSETS**			
(1)	**Non-Current Assets**			
	Fixed Assets	**10**		
	-Tangible Assets		**198,575,844**	210,976,129
(2)	**CURRENT ASSETS**			
	Inventories	**11**	**178,086,113**	188,199,985
	Trade Receivables	**12**	**87,398,922**	114,954,010
	Cash & Bank Balances	**13**	**3,662,476**	5,102,208
	Short-Term Loans & Advances	**14**	**41,313,946**	46,686,005
	TOTAL		**509,037,301**	565,918,337
SIGNIFICANT ACCOUNTING POLICIES		1		
NOTES ON ACCOUNTS		2 to 22		

The notes are an integral part of the financial statements

For and on behalf of the Board

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

In terms of our separate report of even date annexed
For **KANSAL SINGLA & ASSOCIATES**
Chartered Accountants
sd/-
(CA SHRI KRISHAN KANSAL)
Partner
Membership No. 080632
FRN 003897N

Place : Chandigarh.
Date : May 30, 2017

PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

S.N.	PARTICULARS	NOTE No.	2016-17 (Rs.)	2015-16 (Rs.)
I	**Revenue from Operations (Gross)**	15	**452,677,700**	344,307,689
	Less :- Returns		**(5,334,517)**	(6,628,944)
	Revenue from Operations (Net)		**447,343,183**	337,678,745
II	**Other Income**	16	**876,739**	1,188,688
III	**Total Revenue (I + II)**		**448,219,922**	338,867,433
IV	**Expenses**			
	Cost of Material Consumed	17	**223,658,097**	166,792,560
	Changes in Inventories of Finished Goods and Stock-In Process	18	**2,108,418**	(1,244,535)
	Personnel Expenses	19	**104,763,516**	69,948,795
	Financial Expenses	20	**59,729,123**	60,429,058
	Depreciation	10	**17,365,587**	17,145,344
	Other Expenses	21	**30,126,275**	40,311,830
	-			
	Total Expenses (IV)		**437,751,016**	353,383,052
V	**Profit/(Loss) before exceptional and extraordinary items and Tax (III - IV)**		**10,468,906**	(14,515,618)
VI	(Add)/ Less :- Exceptional items		**-**	(5,377,384)
VII	**Profit/(Loss) before tax and prior period expenses**		**10,468,906**	(19,893,001)
VIII	**(Add)/Less:- Prior Period Expense**		**(2,229,998)**	(746,692)
IX	**Profit/(Loss) before tax**		**8,238,908**	(20,639,693)
X	**Tax Expense:**			
	Provision for Current Tax		-	-
	Provision for Deferred Tax		-	-
	Earlier year taxes		-	-
XI	**Profit/ (Loss) for the period/year**		**8,238,908**	(20,639,693)
XII	Earning per equity share (Diluted and Basic) (Face Value Rs. 10/-)			
	- After Exceptional Items		**0.59**	(1.48)
	- Before Exceptional Items		**0.59**	(1.10)

For and on behalf of the Board

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

In Terms of our Separate report of even date annexed
For **KANSAL SINGLA & ASSOCIATES**
Chartered Accountants
sd/-
(CA SHRI KRISHAN KANSAL)
Partner
Membership No. 080632
FRN 003897N

Place : Chandigarh.
Date : May 30, 2017

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2017 (Rs./Lacs)

Particulars		Current Year 2016-17		Previous Year 2015-16	
Cash Flow from Operating Activities					
Net Profit/(Loss) Before Tax & Extraordinary items			**10,468,906**		(14,515,618)
Adjustment for :-					
Add :-					
Deprecation		**17,365,587**		17,145,344	
Prior Period Income/(Expenses)		**(2,229,998)**		(746,692)	
Exceptional Items		**-**		(5,377,384)	
Financial Expenses (Interest Paid)		**59,729,123**	**74,864,712**	60,429,058	71,450,325
Less :-					
Interest Income		**144,580**	**144,580**	289,520	289,520
Operating Profit before working capital changes			**85,189,038**		56,645,187
Add :-					
Decrease in Loans & Advances		**5,372,059**		1,217,352	
Decrease in Sundry Debtors		**27,555,088**		6,164,208	
Increase in Other Current Liabilities		**12,217,333**		2,406,605	
Increase in Provisons		**4,908,591**	**50,053,071**	3,974,434	13,762,599
Less :-					
Increase in inventories		**(10,113,872)**		13,579,293	
Decrease in Trade Payables		**33,727,610**	**23,613,738**	(2,340,448)	11,238,845
Cash Generated from Operations			**111,628,371**		59,168,941
Taxes Paid			**-**		**-**
Net Cash from Operating activities	**'A'**		**111,628,371**		59,168,941
Cash Flow from Investing Activities					
Purchase of fixed assets/CWIP		**(5,098,326)**		(2,792,659)	
Sale of fixed assets		**133,026**		806,988	
Govt. Subsidy Received against Machinery		-		-	
Interest Received		**144,580**		289,520	
Net Cash used in Investing Activities	**'B'**		**(4,820,720)**		(1,696,151)
Cash Flow from Financing Activities					
Repayment of unsecured loans		**(5,327,704)**		(32,491)	
Repayment of long term Loans		**(48,947,322)**		(33,912,588)	
Increase in short term borrowings		**5,756,762**		37,113,728	
Interest paid		**(59,729,123)**		(60,429,058)	
Net Cash from Financing Activities	**'C'**		**(108,247,386)**		(57,260,410)
Net Increase in Cash & Cash Equivalent	**(A+B+C)**		**(1,439,735)**		212,380
Cash & Cash Equivalent at the beginning of period			**5,102,208**		4,889,827
Cash & Cash Equivalent at the end of period			**3,662,473**		5,102,207

For and on behalf of the Board

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

In Terms of our Separate report of even date annexed
For **KANSAL SINGLA & ASSOCIATES**
Chartered Accountants
sd/-
(CA SHRI KRISHAN KANSAL)
Partner
Membership No. 080632
FRN 003897N

Place : Chandigarh.
Date : May 30, 2017

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPERATION OF FINANCIAL STATEMENTS

a) The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013. Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

b) The company generally follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.

2. FIXED ASSETS

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

3. INVENTORIES

Inventories are valued on FIFO Method

- Raw Materials- at lower of cost or net realizable value.
- Packing materials, consumable stores and spares-at cost.
- Stock-in-process- Material cost plus appropriate share of production overheads.
- Finished goods- at lower of cost or net realizable value.

4) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand & short term investments

5) EXPENDITURE ON EXPANSION

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

As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

6) DEPRECIATION

Depreciation is provided on SLM on all the fixed assets on the basis of life of the assets as prescribed in Schedule II of the Companies Act, 2013.

7) RESEARCH AND DEVELOPMENT

Revenue expenditure incurred on Research & Development is charged to Profit & Loss Account

8) REVENUE RECOGNITION

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

(a) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

(b) Other income is accounted for on accrual basis as and when the right to receive arises.

9) FOREIGN CURRENCY TRANSACTIONS

Export sales are accounted for at exchange rate prevailing on the date the documents are negotiated/ realized with/ through bank. In case of direct remittance from buyers the difference between the exchange rates on the dispatched date and actual exchange rate of foreign currency on receipt of payment is booked in sales.

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

The foreign currency transactions in respect of payment towards cost of fixed assets, spares, traveling, commissions etc. are accounted for at the exchange rates prevailing on the date of transaction/ remittance.

10) BORROWING COST

Borrowing costs that are attributable to the acquisition on construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

11) TAXES ON INCOME

Tax expenses comprises of current, deferred income tax and fringe benefit tax. Provision for current income tax and fringe benefits tax is made for the amount of tax payable in respect of taxable income for the year under The Income Tax Act, 1961. Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between the book profits and tax profits that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets and liabilities are measured using the tax rates and tax loss that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient further taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only where virtual certainty that such deferred tax assets can be realized against further taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that further taxable income will be available against which such deferred tax assets can be realized.

12) RETIREMENT BENEFITS

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

13) USE OF ESTIMATES

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

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

14) EARNING PER SHARE

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

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

15) INTANGIBLE ASSETS

An Intangible Asset is recognized if and only if-

a) It is probable that the future economic benefits that attributable to the assets will flow to the enterprise.

b) The cost of assets can be measured reliably.

An intangible asset is measured initially at cost.

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

16) IMPAIRMENT OF ASSETS

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

17) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

18) INVESTMENTS

i) Investments are classified as Long Term and current investments.

ii) Long Term Investments are carried at cost. Provision for Diminution, if any in the value of each long term investment is made to recognize a decline other than of temporary nature.

iii) Current Investments are stated at lower of cost or market value and resultant decline, if any, is charged to revenue.

19) SEGMENT REPORTING

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

(1). Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment sales.

(2) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segment are included under un-allocable corporate expenditure.

(3) Income which relates to the company as a whole and not allocable to segments is included in un-allocable corporate income.

(4) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to company as a whole and not allocable to any segment. Un-allocable assets mainly comprise corporate head office assets, investments and tax deposited with the Income Tax authorities. Un-allocable liabilities include mainly unsecured loans and tax payable to Income Tax Authorities.

b). Inter Segment transfer pricing

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

20) GOVERNMENT GRANTS AND SUBSIDIES

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

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

		AS AT 31.03.2017 (Rs.)		AS AT 31.03.2016 (Rs.)
NOTE 2 : Share Capital				
AUTHORISED CAPITAL				
15,000,000 (Previous Year 15,000,000) Equity shares of Rs.10/- each		**150,000,000**	150,000,000	-
1,500,000 (Previous Year 1,500,000) 8% Non Cum Preference Shares of Rs.100/- each		**150,000,000**	150,000,000	300,000,000
		300,000,000		300,000,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL				
13,916,000 (Previus year 13,916,000) Equity Shares of Rs.10/- each	**139,160,000**		139,160,000	
Less : Allotment Money Unpaid	**278,000**	**138,882,000**	278,000	138,882,000
1,460,000 (previous Year 1,460,000) 8% Non Cum Preference Shares Rs. 100/- each		1,46,000,000		1,46,000,000
TOTAL		**284,882,000**		284,882,000

NOTE 2A : Reconcilition of Share Capital	**31-3- 2017**	**31-3-2016**
1. Equity Shares with Voting Rights :		
- Number of Shares outstanding as at begining of year	**13,916,000**	13,916,000
Add :		
- Shares issued during the year	**-**	-
- Number of Shares outstanding as at the end of the year	13,916,000	13,916,000
2. 8% Non-Com Preference Shares :		
- Number of Shares outstanding as at begining of year	1,460,000	1,460,000
Add :		
- Shares issued during the year	**-**	-
- Number of Shares outstanding as at the end of the year	1,460,000	1,460,000

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

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

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

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

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

NOTE 2B : Detail of shares held by each shareholder holding more than 5% shares.				
NAME OF SHAREHOLDER	**31-03-2017**		**31-03-2016**	
	No. of Shares Held	**% Holding in that class of shares**	**No. of Shares Held**	**% Holding in that class of shares**
AMIT MAHAJAN	2,592,390	18.63	2,592,390	18.63
Universal Cyber Infoway Pvt. Ltd.	951,100	6.83	951,100	6.83
NOTE 2C : Detail of Preference shares held by each shareholder holding more than 5% shares.				
Amit Mahajn S/o Late Sh. Y. D. Mahajan	569,481	39.01	569,481	39.01
Pride Properties Pvt. Ltd.	142,400	9.75	142,400	9.75
Beckons Industries	75,000	5.14	75,000	5.14
Universal Cyber Infoways	436,350	29.89	436,350	29.89
R. C. Mahajan	87,500	5.99	87,500	5.99
Amit Mahajan S/o R.C. Mahajan	75,269	5.15	75,269	5.15
Krishna Garden	74,000	5.07	74,000	5.07

		As at 31.03.2017 (Rs.)		As at 31.03.2016 (Rs.)
Note 3 : Reserve & Surplus				
1 Capital Reserve		**1,713,900**		1,713,900
2 State Investment Subsidy		**3,000,000**		3,000,000
3 Share Premium		**11,805,000**		11,805,000
4 Deficit of Statement of Profit & Loss :				
Opening Balance	**(277,422,256)**		(256,782,563)	
Add : Profit/(Loss) During the period/year	**8,238,912**		(20,639,693)	
Closing Balance		**(269,183,344)**		(277,422,255)
Total		**(252,664,444)**		(260,903,355)
Note 4 : LongTerm Borrowings				
1 Secured Loans*				
- From Banks (State Bank of Patiala & UCO Bank)				
i) Term Loans		**98,962,131**		**135,468,866**

* Term/Corp/FITL Loans from the banks are secured by paripassu first charges on Fixed Assets of the Company, present and future, including equitable mortage of land and building of the Company's factory at Village Singha, Teh. Haroli, Distt. Una (H.P.). These loans are further secured by the personal guarantees of the Directors.

* Term Loans are repayable in 28 quarterly instalments starting from April 2012 and ending on January 2019.

Less : Current Maturities on Long Term Debts		(51,818,000)		(39,752,000)
		47,144,131		95,716,866
2 Vehicle Loans**				
** Vehicles Loans are secured against hypothecation of vehicles.		**752,978**		1,089,983
Less : Current Maturities on Long Term Debts		**(373,564)**		(335,983)
		379,414		754,000
3 Unsecured Loans				
- Directors		**50,210,834**		55,538,538
Total		**97,734,378**		152,009,404
Note 5 : Long Term Provisions				
1 Provison for Employee Benefits				
- Gratuity		**4,316,559**		1,584,764
- Leave Encashment		**3,360,404**		1,754,505
Total		**7,676,963**		3,339,269
Note 6 : Short Term Borrowings				
1 Working Capital Facilities ***				
- From Banks		**207,120,447**		201,363,685
Total		**207,120,447**		201,363,685

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

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
Note 7 : Trade Payables		
1 - For Current Supplies	**75,855,633**	109,583,243
2 - For Capital Goods	**831,476**	831,476
Total	**76,687,109**	110,414,719
Note 8 : Other Currrent Liabilities		
1 - Current maturities of long term debts	**52,191,564**	40,087,983
2 - Creditors for Expenses	**28,789,833**	28,676,082
Total	**80,981,396**	68,764,065
Note 9 : Short Term Provisions		
1 - Provision for Employee Benefits		
- Gratuity	**1,182,777**	1,038,992
- Leave Encashment	**5,436,674**	5,009,562
Total	**6,619,451**	6,048,554

NOTE 10 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 31.03.2016	Additions	Sales/ Transfer	Total 31.03.2017	AS AT 31.03.2016	During Period	Adjsutments	Total 31.03.2017	AS AT 31.03.2017	Total 31.03.2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Freehold Land	12,509,389	-	-	12,509,389	–	–	–	–	12,509,389	12,509,389
Buildings	92,647,959	-	-	92,647,959	17,792,505	2,905,137	–	20,697,642	71,950,317	74,855,454
Plant & Machinery	154,763,448	-	-	154,763,448	53,769,703	10,314,728	–	64,084,431	90,679,017	100,993,745
Electrical Installations	11,340,212	-	-	11,340,212	5,387,871	1,294,237	–	6,682,108	4,658,104	5,952,341
D G Sets	3,313,064	-	-	3,313,064	1,299,431	204,612	–	1,504,043	1,809,021	2,013,633
Laboratory Equipments	682,835	-	-	682,835	332,236	79,169	–	411,405	271,430	350,599
Moulds & Dies (Tools)	5,288,126	4,950,969	-	10,239,095	732,292	433,129	–	1,165,421	9,073,674	4,555,834
Furniture, Fixture & Office Equipments	13,086,207	147,357	-	13,233,564	6,527,789	1,391,454	–	7,919,243	5,314,321	6,558,418
Vehicles	9,263,655	-	133,026	9,130,629	6,076,937	743,121	–	6,820,058	2,310,571	3,186,718
Tangible Assets	302,894,895	5,098,326	133,026	307,860,195	91,918,764	17,365,587	–	109,284,351	198,575,844	210,976,131
Previous Year	300,909,224	2,792,659	806,988	302,894,895	74,773,420	17,145,344	–	91,918,764	210,976,131	226,135,804

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
NOTE 11 : Inventories (Valued at lower cost or net realisation value)		
Raw Material	60,706,788	61,767,829
Finished Goods	36,936,719	39,311,012
Stock-in-Process	42,117,627	41,851,752
Consumable Stores	18,596,734	26,662,602
Packing Materials	14,059,105	13,040,357
Fuel	149,940	365,442
Stores & Spares	5,519,200	5,200,990
Total	**178,086,113**	188,199,984
NOTE 12 : Trade Receivables		
Unsecured		
Outstanding for period exceeding six months from date they became due considered good except doubtful		
Doubtful debts	**39,295,570**	37,611,913
Less : Provision for doubtful debts	**(921,131)**	(921.131)
Others Considered Good	**49,024,484**	78,263,228
Total	**87,398,922**	114,954,010
NOTE 13: Cash & Cash Equivalents		
Cash-in-Hand		
Cash Balance	8490	1,086,203
Sub Total (A)	**8490**	1,086,203
Bank Balance		
- In Current Accounts	528,790	257,144
- In Deposit Accounts*	3,125,197	3,758,859
Sub Total (B)	**3,653,987**	4,016,003
Total [A + B]	**3,662,476**	5,102,206

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

NOTE 14: Short-Term Loans & Advances	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
Unsecured, Considered Good :		
Advances recoverable in cash or in kind for value to be received	30,893,490	33,167,264
Duty Drawback Receivable	607,999	607,999
Income Tax Paid under Protest	-	4,542,781
Security Deposits	1,289,215	1,289,215
TDS Recoverable	23,242	-
CST/VAT Refund Receivable	8,500,000	7,078,746
Total	**41,313,946**	**46,686,005**

NOTE 15: Revenue from Operations		
Sale of products		
Domestic	439,792,401	332,108,443
Export	12,885,299	12,199,246
Less :		
Sales Return	(5,334,517)	(6,628,944)
Total	**447,343,184**	**337,678,745**

NOTE 16: OTHER INCOME		
Interest Income		
Interest on FDR	144,580	289,520
Other Receipts		
Miscellaneous Income	536,727	656,898
Exchange Rate Fluctuation	195,432	242,270
Total	**876,739**	**1,188,688**

NOTE 17: Cost of Material Consumed			
Raw Material & Goods in Transit			
Opening Stock			
-Raw Material		61,767,829	55,143,064
Purchase During the Year		122,591,388	88,039,435
Less:- Closing Stock			
- Raw Material		(60,706,788)	(61,767,829)
	Raw Material Consumed	**123,652,429**	**81,414,670**
Consumable Stores			
Opening Stock		26,662,602	21,943,408
Purchase During the Year		51,484,530	39,875,651
Less:- Closing Stock		(18,596,734)	(26,662,602)
	Consumable Stores Consumed	**59,550,398**	**35,156,457**
Packing Material			
Opening Stock		13,040,357	12,356,300
Purchase During the Year		36,336,317	47,447,494
Less:- Closing Stock		(14,059,105)	(13,040,357)
	Packing Material Consumed	**35,317,569**	**46,763,437**
Fuel			
Opening Stock		365,442	111,294
Purchase During the Year		4,922,198	3,712,144
Less:- Closing Stock		(149,940)	(365,442)
	Fuel Consumed	**5,137,700**	**3,457,996**
Total Material Consumed		**223,658,097**	**166,792,560**

	2016-17 (Rs.)	2015-16 (Rs.)
NOTE 18 : Change in Inventories of Finished Goods and Stock in Process		
1. Finished Goods		
Opening Stocks	39,311,012	36,083,388
Closing Stocks	36,936,719	39,311,012
Total (increase)/decrease in Finished Goods	(2,374,293)	(3,227,624)
2. Stock - in- Process		
Opening Stock	41,851,752	43,834,841
Closing Stock	42,117,627	41,851,752
Total (increase)/decrease in Stock-in-Process	(265,875)	1,983,089
Total	**2,108,418**	**(1,244,535)**
NOTE 19 : Personnel Expenses		
1. Remuneration & Perks to Directors	8,324,314	8,276,060
2. Salary, Allowances & Perks to Employees	88,389,988	53,900,077
3. Staff Welfare Expenses	2,858,657	3,083,714
4. Contribution Towards Funds	5,190,557	4,688,944
Total	**104,763,516**	**69,948,795**
NOTE 20 : Financial Expenses		
1. Interest on Long Term Loans	21,410,942	25107,483
2. Interest on Working Capital Loans	33,432,245	34,058,811
3. Bank Charges	4,885,935	1,262,764
Total	**59,729,123**	**60,429,058**
NOTE 21 : Other Expenses		
1. Power	11,011,804	8,430,043
2. Job Work Charges	2,042,725	15,158,352
3. Consumption of Dies	870,958	1,197,312
4. Repairs to Plant & Machinery	286,280	181,266
5. Repair to Buildings	1,156,038	-
6. Freight Outward	3,685,712	1,434,076
7. Commission & Discount	1,470,714	1,347,014
8. Business Promotion Expenses	1,105,055	934,249
9. Insurance	698,182	706,896
10. Rent Rates & Taxes	1,370,546	1,434,491
11. Penalty Charges	888,399	2,375,870
12. Vehicle Running & Maintainance	1,067,482	1,256,459
13. Postage Telegram & Telephone	618,560	632,268
14. Factory Maintenance	4,830	20,345
15. Fees Subscription & Legal Expenses	1,615,768	1,360,38
16. Traveling Expenses		
- Directors	405,939	829,812
-Others	977,419	1,048,323
17. Auditors' Remuneration:-		
- Audit fees	126,500	114,500
18. Loss on Sale of Vehicles	73,026	231,988
19. Miscellaneous Administrative Expenses	650,334	1,618,176
Total	**30,126,275**	**40,311,830**

NOTE 22

NOTES ON ACCOUNTS

I. **CONTINGENT LIABILTIES:-**

a) The liabilities in respect of Income Tax, Purchase Tax and Sales Tax have been accounted for on the basis of respective returns filed with the relevant authorities. Additional Demand, if any, shall be accounted for in the year in which the assessment is complete.

b) Central Excise Authorities have gone in appeal against the order of Commissioner (Appeals) which was decided in favour of the Company against the demand of Rs. 258.70 Lacs (Previous Year Rs.258.70). The Company has refuted the liability based on the advice received from the legal experts and accordingly has not made any provisions in the books of accounts. The case amounting to Rs.24.36 lacs has been ruled in favour of the Company and has been dropped while the other case is still pending. The requisite provision of balance Rs.234.34 lacs will be made in the year the final decision is made.

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

d) The Company has given counter guarantee to banks of Rs 6.00 lacs (Previous Year Rs. 6.00 Lacs) in respect of the guarantees issued by the banks on behalf of the Company in favour of HPSEB..

II. The Capital Reserve represents forfeiture of 10% upfront payment received on Convertible Warrants issued during 2005-06

III. In view of insufficient information from the suppliers regarding their status as Small, Micro & Medium Enterprises, amount overdue to such undertakings can not be ascertained. However, the Company has not received any claim from any supplier in respect of interest.

IV. The balance of trade receivable, trade payables, contractors and others are subject to reconciliation and confirmation

V. In the opinion of the Board of Directors all the Current Assets, Loans and Advances except Sundry Debtors to the extent of Rs. 9.21 lacs against which equivalent provision for doubtful debts has been made, if realized in the ordinary course of business, have a value at least equal to the amount at which these are stated in the Balance Sheet.

VI. Loans and Advances include Rs. 38.66 Lacs given as advance for the purchase of land.

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

	(Rs./Lacs) **Current Year**	(Rs./Lacs) **Previous Year**
Income	0.00	0.00
Expense	22.30	7.47

VIII. As per Accounting Standard-11,"Effects of Change in Foreign Exchange Rates" issued by "The Institute of Chartered Accountants of India", the amount due to foreign creditors have been restated at closing rate i.e. rate as at 31.03.2017. The difference amount of Rs. 85543/- is adjusted through Exchange Rate fluctuation Account.

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

Summary of membership data (As at 31st March, 2017)

No. of employees	386
Total Monthly Basic Salary (in Rs.)	34,82,325
Total Monthly CTC (in Rs.)	42,63,355
Average age (in years)	33
Average past service (in years)	2.63
Expected future working life (in years)	7.75
Average accumulated leave per employee (in days)	23

The assumptions are as follows:

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

ii) The assumptions employed for calculation are:

(FINANCIAL)

Discount Rate	7%
Estimated Rate of increase in compensation levels	5%

(DEMOGRAPHIC)

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

iii) The discount rate has been determined by reference to market yields as at 31st March, 2017 on CG-Secs of currency and term consistent with those of benefit obligations.

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

v) The retirement age has been uniformly taken as 58 years.

vi) No allowance has been made for future improvement in in-service mortality.

vii) It is assumed, based on their overall behavior pattern, that the employees are unlikely to avail/encash the entire accumulated/ carry forward of leave during the coming 12 months.

viii) Attrition rate vary from industry to industry and, within industry, from company to company. In practice no single averaged out figure is likely to be representative of the different attrition rates observed over the entire age range. Since the data regarding the number of employees who left the services of the company during past few years is not available, the attrition rate, which is chosen with the concurrence of the company's

authorized officials, is based on the experience gathered from other similar manufacturing units broadly corresponding in size, activity and staffing pattern to those of the Company.

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

Balance Sheet

CLASSIFICATION	GRATUITY	LEAVE
Current Provision	11,82,777	54,36,674
Non Current Provision	43,16,559	33,60,404
Total liability recognised in Balance Sheet	54,99,336	87,97,078

Statement of Profit and Loss

	2016-17		2015-16	
Particulars	Gratuity	Leave	Gratuity	Leave
Current service cost	1321476	1675234	550225	1034510
Net actuarial (gain)/loss recognised in the period	1370441	(28726)	(253520)	2379758
Expense recognised in the Statement of Profit and Loss	28,75,580	2119993	464080	3666431

X SEGMENT REPORTING

The Company has only one segment and deals only in single line of products i.e. "Footwears". Thus the Accounting Standard 17 "Segment Reporting" issued by "The Institute of Chartered Accountants of India" is not applicable.

XI RELATED PARTY DISCLOSURES:-

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

-Associate Companies

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

-Key Management Personnel:

1. Mr. R.C. Mahajan - Managing Director
2. Mr. Amit Mahajan - Director Commercial & Chief Financial Officer
3. Mr. Amit Mahajan - Director Operations

- Relative of Key Management Personnel:

1. Mr. Munish Mahajan Brother of Amit Mahajan

XII. MANAGERIAL REMUNERATION:

(Rs./Lacs)

PARTICULARS	Current Year	Previous Year
Salary	79.20	79.20
Provident Fund contribution	0.00	0.00
Perks	4.04	3.36
Total	83.24	82.56

XIII EARNING PER SHARE:

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

(Rs./Lacs)

Particulars	Current Year	Previous Year
Net Profit/(loss) before exceptional items	104.69	(145.16)
Net Profit/(loss) after exceptional items	104.69	(198.93)
Average no. of shares of Rs 10/- each(basic)	13916000	13916000
Earning Per Share before exceptional items (Basic & Diluted)	0.59	(1.48)
Earning Per Share after exceptional items (Basic & Diluted)	0.59	(1.10)

XIV. DEFERRED TAX:

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

Major components of Deferred tax Assets & Liabilities are:

PARTICULARS	AS AT 31.03.2017	DURING THE YEAR	AS AT 31.03.2016
A) Deferred Tax Liability			
- Difference in Carrying Amount of Fixed assets in the financial statements and the Income Tax Returns	1,034.43	(43.39)	1,077.82
- Expenses not Charged in Financial Statements but allowed in income tax	-	-	-
TOTAL (A)	**1,034.43**	**(43.39)**	**1,077.82**
B) Deferred Tax Asset			
- Unabsorbed Depreciation & business loss	958.82	(296.38)	1,255.20
- Expenses Charged in Financial Statements but not allowed in income tax	127.50	78.26	49.24
- Provision for doubtful debts	9.21	-	9.21
Provision for leave encashment	54.99	28.76	26.24
Provision for gratuity	87.97	20.33	67.64
TOTAL (B)	**1,238.50**	**(169.03)**	**1,409.95**
Net Deferred Tax Liability/(Asset)	(204.06)	113.56	(332.13)
Tax Impact	**(63.06)**	**39.57**	**(102.63)**

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

.

XV. As per Accounting Standard -28 "Impairment of Assets" issued by ICAI, the management has reviewed its cash generating units as on 31.03.2017. No indication has been found by the management to suggest that the recoverable amount of Asset is less then the carrying amount. Hence no impairment loss on asset has been recognized.

XVI. The Company has outstanding debit balance of Rs 3866003 given as advance for the purpose of purchase of land.

XVII MOVEMENT OF PROVISIONS **(Rs./Lacs)**

	Current Year		Previous Year	
	Leave	Gratuity	Leave	Gratuity
Opening Balance	67.64	26.24	32.54	21.60
Add:	21.20	28.75	36.66	4.64
Less: Amount Used	0.87	0	1.56	0
Closing Balance	87.97	54.99	67.64	26.24

XVIII. Derivatives instruments and unhedged foreign currency exposure

Particulars	**As at 31.03.2017**	**As at 31.03.2016**
Unhedged foreign currency exposure	Nil	Nil

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

(Rs./ Lacs)

PARTICULARS	**Current Year**	**Previous Year**
a) CIF Value of Imports		
Capital Goods	Nil	Nil
Raw Material, Consumable Stores, Stores & Spares	57.76	126.26
b) Expenditure in Foreign Currency		
Interest	0.00	0.00
Traveling	1.87	5.61
Discount	0.00	0.00
Others	0.00	0.00
c) Earnings In Foreign Exchange		
FOB Value of Exports (including Third Party Export of Rs. 116.18 Lacs)	128.85	121.99

XX. Requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 9th November,2016 to 30th December, 2016 is as follows:

Particulars	**SBNs (500 & 1000 notes)**		**Other denomination notes**		**Total Amount (in Rs.)**
	No.	**Amt**	**No.**	**Amt**	
Opening as on 9-11-2016	1000 x 25	25,000	100 x 98	9800	
	500 x 10	5,000	50 x 44	2200	
			20 x 13	260	
			10 x 15	150	
			5 x 28	140	
			1 x 4	4	**42,554**
Add: Permitted Receipts			100x1338	1,33,800	
			50 x 212	10,600	
			1 x 57	57	**1,44,457**
Add: Withdrawals from Bank			100 x 750	75,000	**75,000**
Less : Permitted Payments			100 x 2129	2,12,900	
			50 x 246	12,300	
			20 x 11	220	
			10 x 8	80	
			5 x 0	0	
			1 x 57	57	**2,25,557**
Less : Deposits in Bank	1000 x 25	25,000			
	500 x 10	5,000			**30,000**
Closing Balanceas on 30-12-2016			100 x 57	5,700	
			50 x 10	500	
			20x2	40	
			10x7	70	
			5x28	140	
			1x4	4	**6,454**

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

For & on behalf of the Board

sd/-	**sd/-**	**sd/-**
KULWINDER KAUR	**AMIT MAHAJAN**	**R.C. MAHAJAN**
Company Secretary	Director-Commercial & Cheif Financial Officer DIN 00038593	Managing Director DIN00038661

For **KANSAL SINGLA & ASSOCIATES**,
Chartered Accountants
sd/-
(CA SHRI KRISHAN KANSAL)
Partner
Membership No. 080632
FRN 003897N

Place: Chandigarh.

Date : May 30, 2017

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the shareholders of the company will be held on Monday, the 18th day of September, 2016 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase VIII B, Mohali, Punjab to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and the Profit and Loss Account & cash flow statement for the year ended on that date together with the reports of Auditors' and Directors' including the management & discussion analysis thereon.
2. To appoint a director in place of Mr. Amit Mahajan (DIN: 00038827), Director (Operations) who retires by rotation and is eligible for re-appointment.
3. To consider and thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013, and the rules made thereunder, M/s N J & Associates, Chartered Accountants (FRN 023083N), Chandigarh, be and is hereby appointed as Statutory Auditors of the company, for five years w.e.f. 2017-2018, in place of retiring auditors M/s Kansal Singla & Associates, Chartered Accountants, Chandigarh, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held for the Financial Year 2021-22, subject to ratification of their appointment by the shareholders of the company at every AGM, at a remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS:

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

4. **"RESOLVED THAT** pursuant to the provisions of Section 42, 62(1)(c), and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any re-enactment(s) or modification(s), thereof for the time being in force) (the "**Act**"); and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("**SEBI ICDR Regulations**"); the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations,2011, as amended (the "**Takeover Regulations**"); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the "**LODR Regulations**"); the Foreign Exchange Management Act, 1999 ("**FEMA**"), as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000, as amended and in accordance with the Foreign Direct Investment Policy (FDI Policy) read with the circulars, rules, regulations, notifications and guidelines issued under FEMA (including any reenactment(s) or modification(s), thereof for the time being in force) and any other Rules/ Regulations/ Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and/or any other statutory / regulatory authority whether in India or abroad, the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot on a preferential basis, from time to time, in one or more tranches, up to 60,00,000 (Sixty Lacs) Compulsorily Convertible Debentures (CCD's) 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 and on such terms and conditions as may be decided by the Board at the time of issue or allotment, by way of preferential allotment on private placement basis and to issue such number of equity shares as may be required to be issued upon conversion of the CCDs allotted pursuant to this resolution or as may be necessary in accordance with the terms of the offering, to the following investors (hereinafter collectively referred to as the "Proposed Allottees") by way of preferential offer:

S. No.	Name of Investor	No. of CCDs	Consider-ation(INR)	Consideration (Incl. Interest)	No.of Equity Shares upon Conversion (Incl. Conversion on Interest of CCDs)
1	Moolibai M Rakhecha	50,000	500,000	625,000	62,500
2	Rohit R Golecha	100,000	1,000,000	1,250,000	125,000
3	V Rajkumari	250,000	2,500,000	3,125,000	312,500
4	V Namratha	100,000	1,000,000	1,250,000	125,000
5	Manju Bansal	75,000	750,000	937,500	93,750
6	N Sudhir	75,000	750,000	937,500	93,750
7	C Saravanan	75,000	750,000	937,500	93,750
8	Abhijit Chokshi	75,000	750,000	937,500	93,750
9	S S Seema	100,000	1,000,000	1,250,000	125,000
10	Harish Pande & Usha Pande	50,000	500,000	625,000	62,500
11	Amit Gunchandra Mehta	75,000	750,000	937,500	93,750
12	Om Prakash Bhagat	50,000	500,000	625,000	62,500
13	Payal T Shrivastava	100,000	1,000,000	1,250,000	125,000
14	Nikhil Jain	75,000	750,000	937,500	93,750
15	The Coronation Castles Pvt Ltd	50,000	500,000	625,000	62,500
16	Rakesh Choudhari HUF	100,000	1,000,000	1,250,000	125,000
17	Anita H Jain	250,000	2,500,000	3,125,000	312,500
18	Deepak Kumar Badalia	50,000	500,000	625,000	62,500
19	Shashi Khattar	100,000	1,000,000	1,250,000	125,000
20	Anurag Atal	50,000	500,000	625,000	62,500
21	Rakesh Shah	50,000	500,000	625,000	62,500
22	Shah Manish Mangilal HUF	150,000	1,500,000	1,875,000	187,500
23	Gita Kirti Ambani	900,000	9,000,00	11,250,000	1,125,000
24	Preetal Nimesh Dedhia	50,000	500,000	625,000	62,500
25	Rachana Mitesh Gala	100,000	1,000,000	1,250,000	125,000
26	Aum Sarvagya Partners	800,000	8,000,000	10,000,000	1,000,000
27	Ajinkya Mercantile Pvt. Ltd.	100,000	1,000,000	1,250,000	125,000
28	Arati J Parmar	150,000	1,500,000	1,875,000	187,500
29	Om Prakash Chugh	150,000	1,500,000	1,875,000	187,500
30	Urvi Nimesh Chitalia	150,000	1,500,000	1,875,000	187,500
31	Urvi Hemal Shah	100,000	1,000,000	1,250,000	125,000
32	Aartie Sunil Anandpara	100,000	1,000,000	1,250,000	125,000
33	Kamini Jayesh Shah	50,000	500,000	625,000	62,500
34	Nimesh Kampani	50,000	500,000	625,000	62,500
35	Kunal Vakharia	50,000	500,000	625,000	62,500
	Total	**4,800,000**	**48,000,000**	**60,000,000**	**6,000,000**

RESOLVED FURTHER THAT each CCD shall carry a coupon rate of twenty percent (20%) per annum payable on the Conversion Date ("accumulated interest").

RESOLVED FURTHER THAT the CCDs shall have such terms and conditions as may be decided by the Board in its absolute discretion, including the following terms and conditions:

a) The above CCDs shall be unsecured;

b) Each CCD, including the accumulated interest as on the Conversion Date /CCD (Rights) shall be convertible into one Equity Share of the Company of face value of INR 10 (Rupees Ten) each. It is clarified that the accumulated interest would be converted at INR 10 (Rupees Ten) each or at price determined in accordance with the ICDR Regulations. Any fractional shares arising on conversion will be ignored;

c) The holders of CCDs shall have the right to convert each CCD Rights into one equity share at any time prior to the completion of 15 months from the date of allotment of such CCD;

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

e) The rights as a shareholder shall be conferred upon the CCD holder only on allotment of Equity Shares to such CCD holder consequent to conversion of such CCD Rights;

f) The number of Equity Shares that each CCD Rights converts into and the price per Equity Share upon conversion of such CCD Rights shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split, consolidation, merger, demerger, transfer of undertaking, sale of business division, reduction of capital or any such capital or corporate re-structuring and CCD holder shall be entitled to any future bonus / rights issue of Equity Shares or securities by the Company in the same proportion and manner as any other equity shareholder of the Company for the time being, would be entitled, except the right to receive dividend till such CCDs are not converted into Equity Shares; and

g) The new Equity Shares issued and allotted on conversion of CCD Rights shall be in dematerialized form and shall rank pari passu in all respects with the existing issued and subscribed equity capital of the Company including right to receive dividend and vote. These Equity Shares will be listed on the stock exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER that the consent of the Company be and is hereby accorded to the Board for issuance and allotment of such number of equity shares having the face value of Rs. 10 (Rupees Ten) each as may be required to be issued and allotted upon the conversion of the CCDs allotted pursuant to the above resolution or as may be necessary in accordance with the terms of the offering of CCDs to the Proposed Allottees and all such Equity Shares that are being allotted shall rank pari passu with the then existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT as per ICDR Regulations the "Relevant Date" for the purpose of determining the issue price of Equity Shares to be issued upon conversion of CCDs, being the date 30 (thirty) days prior to the date of this Annual General Meeting, is August 19, 2017.

RESOLVED FURTHER THAT in accordance with the Regulation 74(1) of the ICDR Regulations the CCDs shall be allotted within a period of 15 days from the date of passing of this resolution, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT the equity shares proposed to be allotted to the Proposed Allottee upon conversion of the CCD Rights, be listed on BSE and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of the equity shares proposed to be allotted to the Proposed Allottee upon conversion of the CCD Rights and for the admission of the equity shares with the depositories, viz. National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"), and for the credit of such equity shares allotted upon conversion of the CCD Rights to the demat account of the Proposed Allottee.

RESOLVED FURTHER that the Common Seal of the Company, if required to be affixed on any agreement, undertaking, deed or other document, be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board in accordance with the Articles of Association of the Company.
RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby authorized to determine size of each tranche(s), rights entitlement ratio, timing of the offer and various other matters in respect thereof, and to settle any question, doubt or difficulty which may arise in regard to the offers or allotment.

RESOLVED FURTHER THAT, subject to applicable law, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to the above resolutions, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members, delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or Officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

5. ISSUANCE AND ALLOTMENT OF 15,00,000 WARRANTS ("CCW") ON PREFERENTIAL BASIS:

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

"**RESOLVED THAT**, pursuant to the provisions of Sections 42, 62 and other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to necessary approvals / sanctions / permissions of appropriate authority / regulatory authorities, if applicable, and subject to such conditions as may be stipulated by any of them while granting such approvals / sanctions / permissions, and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 15,00,000 (Fifteen Lacs) Warrants ("CCW") convertible into 15,00,000 (Fifteen Lacs) Equity Shares having the face value of Rs. 10/- (Rupees Ten) each, for cash consideration, at a price of Rs.10/- per CCW, in one or more tranches and on such terms and conditions as may be decided and deemed appropriate in its sole discretion by the Board at the time of issue or allotment, to the investor KDA Corporate Advisors LLP("Proposed CCW Allottee") by way of preferential allotment on private placement basis:

RESOLVED FURTHER that the Proposed CCW Allottee shall make payment of Rs. 2.5 per CCW, on application and balance amount of Rs. 7.50 per CCW, shall be payable at the time of conversion of the CCW into Equity

Shares of the Company within a period of 15 months. In the event, the Proposed CCW Allottee fails to make payment of the balance amount of Rs. 7.50 per CCW at the time of conversion of the CCW into Equity Shares, the amount already paid by them on application shall stand forfeited, the CCW shall expire and no equity shares shall be issued in lieu of such CCW."

RESOLVED FURTHER that in accordance with the Regulation 75 of the ICDR Regulations and the terms of CCW, each CCW shall be convertible at any time on or before 15 months from the date of allotment at the option of the Proposed CCW Allottee on payment of the balance consideration of Rs. 7.5 (Rupees Seven and paise Fifty) per CCW and upon such conversion the Proposed CCW Allottee shall be entitled to be allotted one Equity Share of the Company having face value of Rs. 10 (Rupees Ten) for each CCW held by the Proposed Allottee.

RESOLVED FURTHER that the consent of the Company be and is hereby accorded to the Board for issuance and allotment of upto 15,00,000 (Fifteen Lakhs) Equity Shares having the face value of Rs. 10 (Rupees Ten) each as may be required to be issued and allotted upon the conversion of the CCW allotted pursuant to the above resolution or as may be necessary in accordance with the terms of the offering of CCW to the Proposed CCW Allottee and all such Equity Shares that are being allotted shall rank *pari passu* with the then existing Equity Shares of the Company in all respects.

RESOLVED FURTHER that as per the ICDR Regulations, the "**Relevant Date**" for the purpose of determining the price at which the CCW shall be, convertible into Equity Shares of the Company, shall be**,** the date which is 30 days prior to the date of this Annual General Meeting, i.e. August 19, 2017.

RESOLVED FURTHER that the Equity Shares having face value of Rs. 10 (Rupees Ten) each proposed to be allotted to the Proposed CCW Allottee, upon conversion of the CCWs, be listed on the BSE Limited, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of such Equity Shares proposed to be allotted to the Proposed CCW Allottee, upon conversion of the CCW, and for the admission of the CCW and Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the CCW and Equity Shares allotted, upon conversion of the CCW, to the Proposed CCW Allottee's dematerialized securities account.

RESOLVED FURTHER that the Common Seal of the Company, if required to be affixed on any agreement, undertaking, deed or other document, be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board in accordance with the Articles of Association of the Company.

RESOLVED FURTHER that, subject to applicable law, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable for the purpose of giving effect to the above resolutions, delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions."

For and on behalf of the Board

Place: Mohali
Date: 10.08.2017
Regd. Office:
E-217, Industrial Area,
Phase VIII B, Mohali

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Pursuant to the provisions of Section 91 of the Companies Act,2013, the register of members and share transfer books of the Company shall remain closed from 13.09.2017 to 18.09.2017 (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 Monday, the 18th day of September, 2017 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8-B, Mohali (Punjab). The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

12. The instructions for members for e-voting are as under:

(i) The voting period begins on Friday, the 15th day of September, 2017 at 09:00 A.M. and ends on Sunday, the 17th day of September, 2017 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 Monday, the 11th day of September, 2017, 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,

	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.

(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. Monday, the 11th day of September, 2017 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 ebtitled 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 & 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.

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

ITEM NO. 2

A brief profile of the retiring Director:

Mr. Amit Mahajan (DIN: 00038593), Director (Commercial) who retires by rotation and is eligible for re-appointment.

Age: 44 years as on 31.03.2017

Qualification: B. Sc. (Economics)

Experience: 22 years experience in handling commercial activities.

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

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

Date of first appointment on the Board: 19.05.1997

Shareholding in the company: Holds 2592390 shares as on 31.03.2017

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

Number of Meetings of the Board attended during the year: 5

Other Directorships: Gulmohar Investments and Holdings Limited
Susang Mac Private Limited
Pride Properties Private Limited

Membership/ Chairmanship of Committees of other Boards:Nil

Item No. 4

The Company has incurred losses in business during the last couple of years however, the Company is now experiencing growth with new opportunities by virtue 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 Equity Shares having Face Value of INR 10 each at par on conversion of the Compulsory Convertible Debentures (CCD's) including accumulated interest hereon 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.

In terms of the provisions of Section 71 read with Section 42 and 62 of the Companies Act, 2013 and Rules made thereunder (the "Act"), and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations"), as amended, a company can undertake preferential allotment only after obtaining prior approval of the shareholders by way of special resolution on the terms and conditions and formalities as stipulated in the Act and the ICDR Regulations.

1. **The object of the issue through preferential offer:**

   The proceeds of the issue shall be utilized for improving Financial Performance, working capital, augment growth and for other General Corporate Purpose.

2. **The proposal of the promoters, Directors or Key Managerial Personnel's of the Issuer to subscribe to the offer:** None of them are subscribing the offer.

3. **Total number of Securities to be issued and Basis of Price:**

   Up to48,00,000 CCDs having face value of INR 10 (Indian Rupees Ten Only) each at par, for an aggregate amount of up to INR 600,00,000 including accumulated interest. Throughout the term of the CCDs until conversion, each CCD shall carry a coupon rate of [Twenty] percent (20%) per annum payable on the Conversion Date and convertible into equity shares on the Conversion Date.

   The CCDs shall convert into 1 (one) fully paid-up equity shares of the Company and the amount of accumulated interest shall be converted into such number of equity shares of the Company arrived at by dividing the amount of accumulated interest, at Rs.10/- or prices determined in accordance with the ICDR Regulations.

4. **Relevant Date:**

   The "Relevant Date" in terms of Regulation 71 of the ICDR Regulations for determination of minimum price is August 19, 2017, being a date, which is 30 (Thirty) days prior to the date of Annual General Meeting

5. **Class or classes of persons to whom allotment is proposed to be made:**

   The allotment is proposed to be made to the Proposed Allottees as mentioned at point no. 8 below.

6. Shareholding Pattern before Issue and after the Issue

Category of Share holders	Pre-Preferenial Allotment		Post-Preferenial Allotment	
	No. of Shares	% of total Shares of	No. of Shares of	% of total Shares of
(A) Promoter & Promoter Group				
1 Indian				
(a) Individuals/ Hindu Undivided Family	2923913	21.01	2923913	13.65
(b) Bodies Corporate	965352	6.94	965352	4.51
Sub Total(A)(1)	**3889265**	**27.95**	**3889265**	**18.16**
2 Foreign Individuals (Non Residents				
A Individuals/ Foreign Individuals)	-	-		
B Bodies Corporate	-	-		
Sub Total(A)(2)	-	-		
Total Shareholding of Promoter and Promoter Group (A)	**3889265**	**27.95**	**3889265**	**18.16**
(B) Public Shareholding				
1 Institutions				
(a) Mutual Funds/ UTI	-	-		
(b) Financial Institutions / Banks	-	-		
(c) Central Government/ State Government(s)	-	-		
(d) Venture Capital Funds	-	-		
(e) Insurance Companies	-	-		
(f) Foreign Institutional Investors	-	-		
(g) Foreign Venture Capital Investors	-	-		
(h) Qualified Foreign Investor	-	-		
(i) Any Other (specify)	-	-		
Sub Total (B)(1)	-	-		
2 Non Institutions				
(a) Bodies Corporate				
(i) Indian	1317110	9.46	3004610	14.03
(ii) Overseas	-	-	-	-
(b) Individuals				
I Individual shareholders holding nominal share capital up to Rs 2 lakh	4312744	30.99	4312744	20.13
II Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	3365867	24.19	8865867	41.40
(c) Any Other (specify)	47446	0.34		
(i) Non- Resident Indians	47446	0.22		
(II)HUF	354225	2.55	666725	3.11
(iii) Clearing Members	629343	4.52	629343	2.94
(iv) Others (Trust)	-	-		
Sub Total (B)(2)	**10026335**	**72.05**	**17527135**	**81.84**
Total Public Shareholding (B)	**10026335**	**72.05**	**17527135**	**81.84**
TOTAL (A)+(B)	**13916000**	100	**21416000**	**100**
(C) Shares held by Custodians and against which Depository Receipts have been issued				
1 Promoter and Promoter Group	-	-		
2 Public	-	-		
Total (C)	-	-		
GRAND TOTAL (A)+(B)+(C)	**13916000**	**100**	**21416000**	**100**

** As per the Register of Members of the Company.*

** * The post issue shareholding percentage is arrived after considering all the preferential allotments proposed to be made under this notice and on fully diluted basis and following assumptions have been made:*

1) *Upto 48,00,000 CCDs to be issued and allotted for Rs. 10 (for rounding of purposes).*
2) *All the CCDs would be converted on the last day of the 15 months from the issue.*
3) *Full conversion of the CCDs including interest accumulated on Conversion Date into 60,00,000 equity share of the Company at a conversion price of INR 10 per Share.*
4) *Full conversion of the CCWs into 15,00,000 equity share of the Company at a conversion price of INR 10 per Share.*

Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) conversion of actual number of CCDs into Equity Shares (Resolution no. 4); and (ii) conversion of actual number of CCWs into Equity Shares (Resolution no. 5). Consequently, the post-issue shareholding percentage mentioned above may stand altered.

6. **The proposed time within which the preferential issue shall be completed:**

   The allotment of CCDs shall be completed within a period of 15 days from the date of passing of resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

7. **Particulars of proposed allottees and identity of natural person who are the ultimate beneficial owner of CCDs proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of the post preferential issue capital that may be held by them and the changes in control, if any, in the issuer consequent to the preferential issue:**

Name and address and PAN of the Proposed Allotttees	Natural person who are the UltimateBeneficial Owner/who control the Proposed Allottees	Pre-Issue % shareholding		Post Issue %Shareholding*		Change if in Control if any, in the Issuer consequent to Preferential Issue
		No of Shares	% Holding	No of Shares	% Holding	
Moolibai M Rakhecha Flat No. 3B, Sindur Sunshine Apartment 8 to 12 Baljour Road, Kilpauk, Chennai 600010 PAN: AHOPR5093F	NA	NIL	NIL	62,500	0.29%	No
Rohit R Golecha 402/502 Matoshree Apartment, 196 Andheri Kurla Road, Andheri (E), Mumbai 400069 PAN: AKKPG5765G	NA	NIL	NIL	125,000	0.58%	No
V Rajkumari No. 11 Railway Station Road, Alandur Chennai 600016 PAN: AACPR9845G	NA	NIL	NIL	312,500	1.46%	No
V Namratha No. 11 Railway Station Road, Alandur Chennai 600016 PAN: AQZPN8519L	NA	NIL	NIL	125,000	0.58%	No
Manju Bansal R/0 66, Bank Vihar Road No. 42, Pitampura Delhi 110034 PAN: AENPB6442A	NA	NIL	NIL	93,750	0.44%	No
N Sudhir Old No. 13, New No 40 Letangs Road, Vepery, Chennai 600007 PAN: AAGPG2493M	NA	NIL	NIL	93,750	0.44%	No
C Saravanan Old No. 13, New No 40 Letangs Road, Vepery, Chennai 600007 PAN: AMJPS6518G	NA	NIL	NIL	93,750	0.44%	No
Abhijit Chokshi C102/103 Yesh Krupa Shimpoli, Chikoowadi Borivali (W) Mumbai 400092 PAN: AILPC7935K	NA	70,000	0.50%	1,63,750	0.76%	No
S S Seema 1B TVH Akhiraa 18 Bawa Road, Alwarpet, Chennai 600018 PAN: AAFPP5124K	NA	NIL	NIL	125,000	0.58%	No
Harish Pande & Usha Pande 7349 Sector D-7 Vasant Kunj, New Delhi 110070 PAN: AAFPP1715J	NA	NIL	NIL	62,500	0.29%	No
Amit Gunchandra Mehta 502 Meera Apartments East Avenue Road Santacruz West Mumbai 400054 PAN: AAAPM6965A	NA	NIL	NIL	93,750	0.44%	No
Om Prakash Bhagat Nagarmal Shankerlal, 2nd Floor, Shop No. S 9/10 Khetan Super Market, BM Road, Patna 800004 PAN: AEXPB6910P	NA	NIL	NIL	62,500	0.29%	No
Payal T Shrivastava B/201 Marvel Ritz Tupe Patil Road Hadapsar Pune 411028 PAN: AUBPS8749M	NA	NIL	NIL	125,000	0.58%	No

Nikhil Jain 103/105 Poonamalee High Road, 5-A Brooklyn Business Centre Purasawalkam Chennai 600084 PAN: AIPPJ6040G	NA	NIL	NIL	93,750	0.44%	No
The Coronation Castles Pvt Ltd 188, Tagore Nagar Hiran Magri, Sector-4 Udaipur Rajasthan 313002 PAN: AAECT1660Q	Mohan Lal Nagda, Dr. P. C. Bhandari & Sons HUF, Bhagwat Singh Rathore, Ashish Jain, Nirmal Kumar Jain HUF	NIL	NIL	62,500	0.29%	No
Rakesh Choudhari HUF 1-D, Malabar Apts, Napeansea Road, Anshul Choudhari. Mumbai 400036 PAN: AARHR9976B	NA	NIL	NIL	125,000	0.58%	No
Anita H Jain 302 3rd Floor Copper Castle Jinabhai Mulji Rathod Marg Near Dongri Bridge Mazgaon Mumbai 400010 PAN: ANUPJ0283H	NA	30,000	0.22%	342,500	1.60%	No
Deepak Kumar Badalia39/1F Panditiya Road, Vaishnawi Niwas Flat 4A Kolkata 700029 PAN: AETPB3126M	NA	NIL	NIL	62,500	0.29%	No
Shashi Khattar B1702 Golden Willows, Opp NES School, Agarwal Road, Mulund West Mumbai 400080 PAN: AAPPK3538E	NA	NIL	NIL	125,000	0.58%	No
Anurag Atal F4 A Wing Sea Beach View Kadeshwari Mandir Marg Near Mt Mary Steps Bandra (W) Mumbai 400050 PAN: APCPA0423K	NA	NIL	NIL	62,500	0.29%	No
Rakesh Shah 103 Shree Puri Tower, Soniwadi Shimpoli, Borivali (W) Mumbai 400092 PAN: AAOPS2644G	NA	NIL	NIL	62,500	0.29%	No
Shah Manish Mangilal HUF A 301 Shiv Kesar Baptista Road Vile Parle (W) Mumbai 400056 PAN: AAIHS4412G	Manish Mangilal Shah - Karta,	NIL	NIL	187,500	0.88%	No
Gita Kirti Ambani A162, Twin Towers, Prabhadevi, Mumbai 400025 PAN: AADPA5911H	NA	NIL	NIL	1,125,000	5.25%	No
Preetal Nimesh Dedhia102, Ashadeep, Azad Road, Andheri East, Mumbai 400069 PAN: AMSPS3738D	NA	NIL	NIL	62,500	0.29%	No
Rachana Mitesh Gala2 Vallabh Apartments, Joshi Lane, Tilak Road, Ghatkopar East Mumbai 400077 PAN: ACVPV1008N	NA	NIL	NIL	125,000	0.58%	No
Aum Sarvagya Partners Dimensional Avenue Business Centre B-401 Unit No. 42, 4th Floor Wasudev Chambers Old Nagardas Road Andheri (E) Mumbai 400069 PAN: ABJFA1604Q	Udayan S Gadakh & Rahul A Pawar	NIL	NIL	1,000,000	4.67%	No

Ajinkya Mercantile Pvt. Ltd. 43, 1st Floor, Great Western Building Fort Mumbai 400001	Digambar K Kale & Shobha D Kale					
PAN: AAHCA5502B		NIL	NIL	125,000	0.58%	No
Arati J Parmar 101 Riddhi Siddhi Apartments, Off MG Road, Kandivali (E), Mumbai 400067						
PAN: AFEPS0982E	NA	NIL	NIL	187,500	0.88%	No
Om Prakash Chugh B-1/552 Janakpuri New Delhi 110058						
PAN: AAIPC3316K	NA	NIL	NIL	187,500	0.88%	No
Urvi Nimesh Chitalia B-134 Sita Sadan CHS Ltd. Opp Dev Nagar New Sai Baba Nagar Kandivali (W)						
Mumbai 400067						
PAN: AGNPC4062D	NA	NIL	NIL	187,500	0.88%	No
Urvi Hemal Shah 1101 Sunrise Tower Near Adukia School Ram Gally Kandivali (W) Mumbai 400067						
PAN: BNUPS8839M	NA	NIL	NIL	125,000	0.58%	No
Aartie Sunil Anandpara 1802 Samarpan Royal CHS Ltd, Near Cable Corporation of India Off WE Highway Borivali (E)						
Mumbai 400066						
PAN: AFKPA2971B	NA	NIL	NIL	125,000	0.58%	No
Kamini Jayesh Shah PLOT No. 138 R. No. 1 Road No. 9 Jawahar Nagar Goregaon (W) Mumbai 400104						
PAN: ABHPS5213M	NA	NIL	NIL	62,500	0.29%	No
Nimesh Kampani 301/746 Shrinivas Jehangir Vimadlal Road Dadar Parsi Colony Dadar (E) Mumbai 400014						
PAN: AHCPK8759R	NA	NIL	NIL	62,500	0.29%	No
Kunal Vakharia 402, Aekveera Regency, Shankar Lane, Kandivali (W) Mumbai 400067						
PAN: AEFPV8725A	NA	NIL	NIL	62,500	0.29%	No

**The post issue share holding percentage is arrived after considering all the preferential allotments proposed to be made under this notice and on fully diluted basis.*

Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) conversion of actual number of CCDs into Equity Shares (Resolution no. 4); and (ii) conversion of actual number of CCWs into Equity Shares (Resolution no. 5). Consequently, the post-issue shareholding percentage mentioned above may stand altered.

8. Auditor Certificate:

A copy of the certificate from the Statutory Auditors of the Company certifying that the above issue of CCDs is being made in accordance with the SEBI ICDR Regulations shall be placed before the shareholders at the AGM and will also be open for inspection by the members at the Registered Office of the Company between 11:00 a.m. and 4.00 p.m. on all working days, other than Saturday and Sunday, up to the date of the AGM.

9. Lock-in:

i) The CCDs and the Equity Shares allotted on conversion of CCDs shall be subject to lock-in as per the SEBI ICDR Regulation.

ii) The entire pre-preferential shareholding of the above allottees, if any, shall be locked-in from the Relevant Date up to the period of 6 months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

10. The Company undertakes that if required, the price shall be re-computed in terms of the provisions of the SEBI ICDR Regulations. If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till such amount is payable by the allottees.

11. The Board at its meeting held on August 10, 2017 has approved the issue and allotment of CCDs on preferential basis in the manner stated here in above, subject to any modifications or amendment to the terms by the Committee Constituted.

12. Save and except the Preferential Issue as proposed in the resolution as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members. Pursuant to the provisions of Section 62 of the Companies Act, 2013 and Regulation 72(1)(a) of SEBI ICDR Regulations, the above preferential issue requires the approval of shareholders by way of Special Resolution. The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested financially or otherwise in this Resolution.

Item No. 5

With an objective to augment growth, the Company is considering various options to raise capital including by way of issue of equity shares and/or convertible securities. Accordingly, the Board of Directors of the Company passed necessary resolution on August 10, 2017.

Accordingly, the Committee of the Board of Directors of the Company ("**Board**") in its meeting held on 22nd August, 2017 approved issuance of 15,00,000 (Fifteen Lacs) warrants ("**CCW**") having face value of Rs. 10 (Rupees Ten) each at a price per CCW equal to Rs. 10 to non-promoter group.

As per Regulation 72 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**"), a listed issuer may make a preferential issue of specified securities, if a special resolution has been passed by its shareholders. Accordingly, the approval of the members of the Company is being sought, by way of a Special Resolution, to offer and issue, CCW, by way of private placement and preferential allotment to non-promoter group.

The relevant details / disclosures of the proposed issue are given below:

1. The CCW shall be issued with consideration payable in cash.
2. The CCW issued pursuant to the abovementioned resolution shall be subject to lock-in in accordance with Regulations 78 and 79 of the ICDR Regulations. However, subject to the aforesaid lock-in, the Equity Shares, upon conversion of CCWs, shall be transferable and transmittable in the same manner and to the same extent as permitted under applicable laws, and shall be subject to the same restrictions and limitations as any other equity shares of the Company.
3. The Equity Shares, allotted pursuant to conversion of CCW, shall rank *pari passu inter se* and with the then existing equity shares of the Company in all respects, including in relation to right to dividend.

The disclosures prescribed under Regulation 73 of the ICDR Regulations in respect of the Resolution proposed at Item No. 5 are as follows:

a) The objects of the preferential issue:

The proceeds of the issue shall be utilized for improving Financial Performance, working capital, augment growth and for other General Corporate Purpose

b) Type of security offered and the number of security offered

15,00,000 (Fifteen Lacs) CCW having face value of Rs. 10 (Rupees Ten) each.

c) Proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:

None of them are subscribing the offer.

d) Equity Shareholding Pattern before and after the Preferential Issue:

Category of Share holders	Pre-Preferential Allotment		Pre-Preferential Allotment	
	No. of Shares	% of total Shares of	No. of Shares of	% of total Shares of
(A) **Promoter & Promoter Group**				
1 Indian				
(a) Individuals/ Hindu Undivided Family	2923913	21.01	2923913	13.65
(b) Bodies Corporate	965352	6.94	965352	4.51
Sub Total(A)(1)	**3889265**	**27.95**	**3889265**	**18.16**
2 Foreign				
A Individuals (Non Residents Individuals/ Foreign Individuals)	-	-		
B Bodies Corporate	-	-		
Sub Total(A)(2)	-	-		
Total Shareholding of Promoter and Promoter Group (A)	**3889265**	**27.95**	**3889265**	**18.16**
(B) Public Shareholding				
1 Institutions				
(a) Mutual Funds/ UTI	-	-		
(b) Financial Institutions/ Banks	-	-		
(c) Central Government/ State Government(s)	-	-		
(d) Venture Capital Funds	-	-		
(e) Insurance Companies	-	-		
(f) Foreign Institutional Investors	-	-		
(g) Foreign Venture Capital Investors	-	-		
(h) Qualified Foreign Investor	-	-		
(i) Any Other (specify)	-	-		
Sub Total (B)(1)	-	-		
2 Non Institutions				
(a) Bodies Corporate				
(i) Indian	1317110	9.46	3004610	14.03
(ii) Overseas	-	-	-	-
(b) Individuals				
I Individual shareholders holding nominal share capital up to Rs 2 lakh	4312744	30.99	4312744	20.13
II Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	3365867	24.19	8865867	41.40
(c) Any Other (specify)	47446	0.34		
(i) Non- Resident Indians	47446	0.22		
(ii)HUF	354225	2.55	666725	3.11
(iii) Clearing Members	629343	4.52	629343	2.94

	(iv) Others (Trust)	-	-		
	Sub Total (B)(2)	**10026335**	**72.05**	**17527135**	**81.84**
	Total Public Shareholding (B)	**10026335**	**72.05**	**17527135**	**81.84**
	TOTAL (A)+(B)	**13916000**	100	**21416000**	**100**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**				
1	Promoter and Promoter Group	-	-		
2	Public	-	-		
	Total (C)	-	-		
	GRAND TOTAL (A)+(B)+(C)	**13916000**	**100**	**21416000**	**100**

** As per the Register of Members of the Company.*

** * The post issue shareholding percentage is arrived after considering all the preferential allotments proposed to be made under this notice and on fully diluted basis*

** Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) conversion of actual number of CCDs into Equity Shares (Resolution no. 4); and (ii) conversion of actual number of CCWs into Equity Shares (Resolution no. 5). Consequently, the post-issue shareholding percentage mentioned above may stand altered.*

e) Proposed time within which the allotment shall be completed

The CCW shall be allotted within a period of 15 days or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

f) Identity of the natural persons who are ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the Proposed CCW Allottees; the percentage of post preferential issue that may be held by them and change in control, if any, in the Company, consequent to the preferential issue.

The details of the Proposed CCW Allottee are as per the following table. No change in control is contemplated consequent to the proposed preferential issue of CCW. There will not be any change in the management control of the Company on account of the proposed preferential allotment and upon conversion of the CCW except a corresponding change in the shareholding pattern as well as the voting rights.

Name & add & PAN of the Proposed Allotttees	Natural person who are the Ultimate Beneficial Owner/who control the Proposed Allottees	Pre-Issue % shareholding		Post Issue %Shareholding*		Change if in Control if any, in the Issuer consequent to Preferential Issue
		No of Shares	% Holding	No of Shares	% Holding	
KDA Corporate Advisors LLP 203 The Summit WE Highway Vile Parle (E) Mumbai 400057 PAN: AAPFK5048P	Ankit Jain & Hippal Dhabi					

**The post issue share holding percentage is arrived after considering all the preferential allotments proposed to be made under this notice and on fully diluted basis.*

Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) conversion of actual number of CCDs into Equity Shares (Resolution no. 4); and (ii) conversion of actual number of CCWs into Equity Shares (Resolution no. 5). Consequently, the post-issue shareholding percentage mentioned above may stand altered

a) Undertaking by the Company

The Company undertakes that it shall re-compute the price of the CCW in terms of the provision of the ICDR Regulations where it is required to do so.

b) Lock in

The CCW and the Equity Shares, allotted upon conversion of the CCW, will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 78 and 79 of the ICDR Regulations.

The entire pre preferential allotment shareholding of the Proposed Allottee, if any, shall be locked-in from the relevant date up to a period of six months from the date of the trading approval.

The Company undertakes that if the amount payable on account of the re-computation of price, if any, is not paid with in the time stipulated in the ICDR Regulations, the equity shares shall continue to be locked-in till the time such amount is paid by the Proposed CCW Allottee.

c) Auditor's Certificate

A copy of the certificate of the Company's statutory auditor certifying that the issue is being made in accordance with the requirements of the ICDR Regulations shall be placed before the Shareholders at the Annual General Meeting of the Company and the same shall be open for inspection at the registered office of the Company between 11:00 a.m. and 1.00 p.m. on all working days till the date of the Annual General Meeting.

The provisions of Section 62 of the Companies Act, 2013, as amended and the ICDR Regulations provide, *inter alia*, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The issue of CCW is in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company.

The Board of Directors of the Company recommends passing of the resolutions as set out at Item No. 5 relating to issue of CCW in the notice as Special Resolution.

Accordingly, the Special Resolution proposed at Item No. 5 will, if passed, enable the Company to issue and allot CCW to the Proposed CCW Allottees in the manner and to the extent as stated in the resolution.

None of the directors or key managerial personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their individual shareholding in the Company.

For and on behalf of the Board

Place: Mohali
Date: 10.08.2017
Regd. Office:
E-217, Industrial Area,
Phase VIII B, Mohali

(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- VIII-B, Mohali, Punjab**

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

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

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

Name:
Address:
Email ID:
Signature:…….

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on Monday, the 18th day of September, 2017 at 09.00 A.M at E-217, Industrial Area, Phase VIII-B, Mohali (Punjab) and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION No.0

Ordinary Business

1. Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors
2. Re-appointment of Mr. Amit Mahajan, Director (Operations) retiring by rotation
3. Ratification of appointment of Statutory Auditors and fixing their remuneration.

Special Business

4. Re-appointment of Mr. R. C. Mahajan as Managing Director of the Company w.e.f 26.12.2016.
5. Preferential allotment to persons belonging to the promoter group on private placement basis.

Signed this ……. day of ……, 2017

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 VIII-B, MOHALI

Twenty Eighth Annual General Meeting
September 18, 2017

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

Folio No. _____ DPID _____

No of Share(s) held _____ Client ID _____

Full name of the Member/Proxy attending the meeting

_____ _____ _____
(First Name) (Second Name) (Surname)

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

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company held on Monday, the 18th day of September, 2017 at 09:00 a.m. at E 217, Industrial Area, Phase-VIII-B, Distt. Mohali (Pb.)

_____
Signature of the Member/Proxy

BOOK - POST

S .R. Industries Limited

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

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