KANSAL SINGLA & ASSOCIATES
CHARTERED ACCOUNTANTS

SCO 80-81, 4th Floor
Sector 17-C, CHANDIGARH -160017
Ph. : 0172-5078401-02
Fax : 0172-5072903
Web site : www.cakansalsingla.com

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

KANSAL SINGLA & ASSOCIATES Chartered Accountants Chandigarh

Opinion

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

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

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

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

Report on other Legal and Regulatory requirements.

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (3) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

   e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of The Act.

For KANSAL SINGLA & ASSOCIATES,
Chartered Accountants.

Place: Chandigarh
Date: 08/05/2015

(CA. SURINDER KUMAR)
PARTNER
M.No.070405
FRN 003897N

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

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

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

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

2. **IN RESPECT OF INVENTORIES:**

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

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

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

4. **IN RESPECT OF INTERNAL CONTROL:**

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

5. **IN RESPECT OF 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 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 the said records.

7. IN RESPECT OF STATUTORY DUES:

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

(b)The following are disputed amounts outstanding, but were not paid by the Company as at 31st March 2015:

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

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

8. LOSS MAKING COMPANY:

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

9. REPAYMENT OF DUES:

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

10. GUARANTEES GIVEN:

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

11. END –USE-OF BORROWINGS:

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

12. FRAUDS:

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

For KANSAL SINGLA & ASSOCIATES,
Chartered Accountants

Place: Chandigarh
Date: 08/05/2015

(CA. SURINDER KUMAR)
PARTNER
M.No.070405
FRN 003897N

S.R.INDUSTRIES LIMITED

Regd. Office : F-110, Industrial Area, Phase VII, Mohali (Pb.)

Annexure I to Clause 41

AUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE QUARTER/YEAR ENDED 31-03-2015

Rs.in Lacs

	Particulars	3 Months ended (31-03-15)	3 Months ended (31-12-14)	3 Months ended (31-03-14)	Year to Date figures for Current Year ended (31-03-15)	Year to Date figures for the Previous Year ended (31-03-14)
		Audited	Unaudited	Audited	Audited	Audited
1	**Net Sales**	**1818.03**	**1536.03**	**1394.36**	**5870.46**	**4607.37**
	Gross Sales	1829.50	1726.11	1416.21	6072.01	4682.65
	Less : Inter Unit Transferred/return	11.47	190.08	21.85	201.55	75.28
	Excise Duty	0.00	0.00	0.00	0.00	0.00
2	Other Operating Income	0.00	0.00	0.00	0.00	0.00
3	**Total Operating Income**	**1818.03**	**1536.03**	**1394.36**	**5870.46**	**4607.37**
4	Expenditure :					
	a Increase/decrease in stock in trade and work in progress	(46.58)	(0.71)	(22.29)	(188.72)	(187.46)
	b Consumption of raw materials	1237.88	968.25	922.67	3832.15	2774.49
	c Finished Goods Purchases	0.00	0.00	0.00	0.00	0.00
	d Power & Fuel	27.73	24.87	53.10	119.46	179.11
	e Staff Cost	165.94	182.50	168.16	783.05	652.17
	f Depreciation & Amortisation	74.02	34.57	35.01	177.16	139.43
	g Other Expenditure	72.48	66.94	71.44	223.40	372.25
	h **Total Expenditure**	**1531.47**	**1276.42**	**1228.09**	**4946.50**	**3929.99**
5	***Profit/(Loss) from Operations before Other Income, Interest and Finance Charges & Exceptional Items***	**286.56**	**259.61**	**166.27**	**923.96**	**677.38**
6	Other Income	1.69	0.02	18.47	1.76	20.37
7	***Profit/(Loss) before Interest and Finance charges and Exceptional Items***	**288.25**	**259.63**	**184.74**	**925.72**	**697.75**
8	Interest/ Finance Charges	199.08	160.48	186.39	698.01	686.29
9	**Profit/(Loss) from Ordinary Activities before Exceptional items & Tax**	**89.17**	**99.15**	**(1.65)**	**227.71**	**11.46**
10	Exceptional items	(58.90)	(0.01)	2.61	(58.90)	3.28
11	**Profit/(Loss) from Ordinary Activities before tax**	**30.27**	**99.14**	**0.96**	**168.81**	**14.74**
12	Tax expense	65.18			65.18	0.00
13	Extraordinary items	1.52			1.74	0.00
14	**Net Profit/(Loss)**	**(33.39)**	**99.14**	**0.96**	**105.37**	**14.74**
15	Paid-up equity share capital	1388.82	1388.82	1388.82	1388.82	1388.82
16	Reserves (excluding Revaluation Reserves)	0.00	0.00	0.00	0.00	0.00
17	Earnings Per Share (Rs.) before extraordinary items	(0.25)	0.71	0.01	0.75	0.11
18	Earnings Per Share (Rs.) (before exceptional items)	0.18	0.71	(0.01)	1.18	0.08
19	Earnings Per Share (Rs.) (after exceptional/taxes etc.)	(0.24)	0.71	0.01	0.76	0.11
20	Public Shareholding					
	- No. of shares	8712875	8712875	8712875	8712875	8712875
	- Percentage of shareholding	62.61	62.61	62.61	62.61	62.61
21	Promoters & promoter Group Shareholding					
	a Pledged/Encumbered					
	No. of shares	2220000.00	2220000.00	2220000.00	2220000.00	2220000.00
	Percentage of shares (as a % of the total Shareholding of Promoters & Promoter Group)	42.67	42.67	42.67	42.67	42.67
	Percentage of shares (as a % of the total Share Capital of Company)	15.95	15.95	15.95	15.95	15.95
	b Non-encumbered					
	No. of shares	3469265.00	2983125.00	2983125.00	3469265.00	2983125.00
	Percentage of shares (as a% of the total Shareholding of Promoters & Promoter Group)	60.98	57.33	57.33	60.98	57.33
	Percentage of shares (as a% of the total Share Capital of company	24.93	21.44	21.44	24.93	21.44

Notes :-

1 No complaint was pending at the beginnng and at the end of the quarter/year ended March 31, 2015.
2 The above result have been taken on record by the Board of Directors in their meeting held on May 08, 2015.
3 Ths company is operating in one segment only i.e. manufacture of footwears.
4 The financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
5 The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the current financial year

Place : Mohali
Date : 06.07.2015

For S. R. INDUSTRIES LTD.

Amit Mahajan
Director (Operations)

ANNEXURE - IX

Clause 41 of the Listing Agreement For Companies

Rs.in Lacs

	Standalone Statement of Assets and Liabilities Particulars	As at (current year end) 31/03/2015	As at (previous year end) 31/03/2014
A	EQUITY AND LIABILITIES		
1	Shareholders` funds		
	(a) Share Capital	2848.82	2848.82
	(b) Reserves and surplus	(2402.64)	(2508.00)
	('c) Money received against share warrants		
	Sub-total-Shareholders`funds	446.18	340.82
2	Share application money pending allotment		
3	Minority Interest		
4	Non-current liabilities		
	(a) Long-term borrowings	1859.55	2203.01
	(b) Deferred tax liabilities (net)		
	('c) Other long-term liabilities		
	(d) Long-term provisions	19.44	48.18
	Sub-total-Non-current liabilities	1878.99	2251.19
5	Current liabilities		
	(a) Short-term borrowings	1642.50	1633.13
	(b) Trade payables	1080.74	1256.37
	('c) Other current liabilities	663.58	535.82
	(d) Short-term provisions	34.69	
	Sub-total-Non-current liabilities	3421.51	3425.32
	TOTAL - EQUITY AND LIABILITIES	5746.68	6017.33
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	2261.36	2531.34
	(b) Goodwill on consolidation		
	('c) Non-current investments		
	(d) Deferred tax assets (net)		
	(e) Long-term loans and advances		
	(f) Other non-current assets (capital work in progress)		
	Sub-total-Non-current assets	2261.36	2531.34
2	Current assets		
	(a) Current investments		
	(b) Inventories	1746.21	1461.28
	('c) Trade receivables	1211.18	1475.42
	(d) Cash and cash equivalentsDeferred tax assets (net)	48.90	65.00
	(e) Short-term loans and advances	479.03	484.29
	(f) Other current assets		
	Sub-total-current assets	3485.32	3485.99
	TOTAL - ASSETS	5746.68	6017.33

For S. R. INDUSTRIES LTD.

Amit Mahajan
Director (Commercial)