32nd Annual Report

2020-21

S R INDUSTRIES LIMITED

BOARD OF DIRECTORS

NAME	DIN	DESIGNATION
MR UDIT MAYOR	02425273	CHAIRMAN AND INDEPENDENT DIRECTOR
MR. MUNISH MAHAJAN	00818243	MANAGING DIRECTOR
MR. AMIT MAHAJAN	00038593	WHOLE TIME DIRECTOR AND CFO
MRS. ANU KUMARI	08870494	INDEPENDENT DIRECTOR
MR. GAURAV JAIN	08906400	INDEPENDENT DIRECTOR
MRS. SANGEETA MAHAJAN	00818293	DIRECTOR

AUDIT COMMITTEE

NAME	DESIGNATION
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	CHAIRMAN
MRS. ANU KUMARI, INDEPENDENT DIRECTOR	MEMBER
MR. AMIT MAHAJAN, DIRECTOR (COMMERCIAL)	MEMBER

NOMINATION AND REMUNERATION COMMIITTEE

NAME	DESIGNATION
MRS.ANU KUMARI, INDEPENDENT DIRECTOR	CHAIRPERSON
MR. GAURAV JAIN, INDEPENDENT DIRECTOR	MEMBER
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	MEMBER

STAKEHOLDERS' RELATIONSHIP COMMITTEE

NAME	DESIGNATION
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	CHAIRMAN
MRS. ANU KUMARI, INDEPENDENT DIRECTOR	MEMBER
MR. AMIT MAHAJAN, DIRECTOR (COMMERCIAL)	MEMBER

COMPANY SECRETARY AND COMPLIANCE OFFICER

MRS. NEHA AGGARWAL

STATUTORY AUDITORS

M/S GOEL SATISH & CO

BANKERS

STATE BANK OF INDIA
UCO BANK

REGD. OFFICE

E-217, INDUSTRIAL AREA,
PHASE 8B, MOHALI-160071
PUNJAB

WORKS

VILLAGE SINGHA,
TEH HAROLI, DISTT.UNA (HP)

Directors' Report

Dear Members,

Your directors are pleased to present their 32nd Annual Report and the Audited Statement of Accounts for the year ended March 31, 2021.

FINANCIAL RESULTS **(In lakhs)**

PARTICULARS	2020-21	2019-20
Turnover	744.90	1683.10
Other Income	365.35	215.42
Profit / (loss) before interest, depreciation and taxation	240.18	-330.22
Financial Expenses	-327.95	-208.71
Profit / (loss) before depreciation & taxation	-87.77	
Depreciation-	-188.03	-213.99
Deferred tax	-8.79	88.07
Other Comprehensive Income		
Re-measurement Gains/(Losses) on defined benefit plans	33.82	8.20
Income tax effect	-8.79	-2.06
Net Profit / (loss) after tax	-241.98	-658.70
Earning per share ()	-1.36	-3.38
Basic / Diluted	-1.36	-3.38

FUTURE PROSPECTS

The board of directors inform that the company produced 0.19 million pairs of shoes, sandals and other footwear during the current year as against 0.43 million pairs during the previous year. This decline is due to weak business environment as well as decline in performance of the company on account of the financial constraints being faced. The Company has faced this challenging scenario head on with constant efforts to improve the performance. At the same time the Company is looking at various possible solutions to overcome the financial constraints being faced. The Company is looking towards improved performance in the years to come.

STATE OF COMPANY'S AFFAIRS

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

DIVIDEND

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

TRANSFER TO RESERVES

The company has transferred loss of ₹2,41,97,986/- during the year to Reserves & Surplus.

SHARE CAPITAL

The paid-up Equity share capital as on 31st March, 2021 was Rs.19.6457 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) **Working Capital**

The working capital limits stood at ₹23.14 crores as on 31st March, 2021.

(b) **Term Loan**

The term loans stood at ₹12.59 crores as on 31st March, 2021.

(c) **Deposits**

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

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

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

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business.

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

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

FRAUDS REPORTED BY AUDITORS U/S 142(12)

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

SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

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

BUSINESS RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

The Company's internal control systems are audited by Internal Auditors. 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 Company has adopted revised Whistle Blower Policy w.e.f. 1st April, 2021. The details of the policy are posted on the website of the Company at www.srfootwears.com.

RELATED PARTY TRANSACTIONS

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

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

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

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of Company, Mrs. Sangeeta Mahajan (DIN: 00818293), Director, shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Ashish Dua, (DIN: 01476215) was appointed and resigned from the Board of the Company on 14thAugust, 2020 and 15th October, 2020 respectively. Mr. Munish Mahajan (DIN: 00818243) was appointed as Managing Director w.e.f. 14th August, 2020. Mrs. Anu Kumari (DIN: 08870494) was appointed as Independent Director w.e.f. 15th September, 2020.Mr. Gaurav Jain (DIN: 08906400) was appointed as Independent Director w.e.f. 15th October, 2020.

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee and the Independent Directors in their meeting have carried out an annual performance evaluation of the directors individually, board as a whole as well as the working of its committees. The manner in which the evaluation has been

carried out has been explained in the Corporate Governance Report forming part of the Board's Report. Since the Directors were satisfied with the evaluation results, there were no observations in the board evaluation carried out for the year, hence no action was proposed. The previous year's observations in the board evaluation were nil and hence no action was warranted.

REMUNERATION POLICY

The current policy is to have an appropriate mix of executive and non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2021, the Board had five members, two of whom are executive directors and three independent directors. One of the independent directors of the Board is a woman director.

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

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

MEETINGS

During the year, ten board meetings were held on 25th June, 2020, 27th July, 2020, 14th August, 2020, 15th September, 2020, 15th October, 2020, 13th November, 2020, 24th November, 2020, 11th February, 2021, 16th February, 2021 and 17th February, 2021. 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 Financial Year 2020-21:

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, 2021, 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 31,2021 and of the profit of the company for the year ended on that date;

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

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

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

AUDITORS

1. **STATUTORY AUDITORS**

   Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Goel Satish & Co., Chartered Accountants (FRN: 010693N), Chandigarh, were appointed as Statutory Auditors of the Company and they shall hold office till the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2026.

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 RPS Khurana & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed at **Annexure 2** forming part of this report.

MANAGEMENT'S REPLY ON QUALIFICATIONS BY AUDITORS

The Management provides the following explanation for the adverse remarks/qualifications made by the Secretarial Auditor and the statutory auditor during their respective audit: The Observations of the Auditors are self-explanatory and needs no further clarification.

PARTICULARS OF EMPLOYEES

Disclosure of information's as required under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 102 Lakhs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs. 102 Lakhs during the financial year 2020-21.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report. Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished free of cost.

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

MAINTENANCE OF COST RECORDS

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

WEB LINK OF ANNUAL RETURN

The Company is having website i.e.www.srfootwears.com and annual return of Company has been published on such website. Link of the same is given below: www.srfootwears.com

CORPORATE SOCIAL RESPONSIBILITY

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

CODE OF CONDUCTS

The company has adopted the following code of Conducts/ policies w.e.f. 1st April, 2021:

1. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons as per the SEBI (Prohibition of Insider Trading (Amendment)) Regulations, 2018.
2. Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information.
3. Policy and Procedure for Enquiry in case of leak/ suspected leak of Unpublished Price Sensitive Information.

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

	Sd/-	Sd/-
Place: Mohali	Udit Mayor	Munish Mahajan
Date: 03.09.2021	Chairman	Managing Director
	DIN: 02425273	DIN: 00818243

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

Particulars	**Transactions details**	**Transactions details**
(a) Name(s) of the related party and nature of relationship:	Mr. Munish Mahajan Brother of Mr. Amit Mahajan, Director (Commercial)	Amit Mahajan (Director Commercial)
(b) Nature of contracts/ arrangements/ transactions:	Employment	Employment
(c) Duration of the contracts/ arrangements/ transactions:	Permanent employment	Permanent employment
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	General terms of employment as applicable on other employees.	General terms of employment as applicable on other employees.
(e) Date(s) of approval by the Board, if any:		
(f) Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board

Sd/-
Udit Mayor
Chairman
DIN: 02425273

Sd/-
Munish Mahajan
Managing Director
DIN: 00818243

Place: Mohali
Date: 03.09.2021

Annexure - 1

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	2020-21	2019-20
1	**ELECTRICITY**		
	Purchased Units (in lacs)	3.76	08.18
	Total Amount (/lacs)	35.42	63.08
	Average Rate/Unit ()	9.42	7.71
2	**OWN GENERATION**		
	Through Diesel Generator		
	Unit (in lacs)	0.02	0.10
	Unit / Ltr. of Diesel Oil	4.00	2.18
	Average Cost / Unit ()	17.5	20.40
3	**WOOD**		
	Wood (M.T.)	14.00	132.85
	Total Amount (/lacs)	0.60	5.64
	Average Rate (/M.T.)	4250	4250

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2020-21	2019-20
1	Footwear (Million Pairs)	.19	0.43

2	Electricity (KwH/Pairs)	1.97	1.90
3	Diesel (Ltr./Pairs)	.01	0.01
4	Pet Coke / Wood (M.T./Pairs)	.001	0.001

2. TECHNOLOGY ABSORPTION

A. Research & Development (R&D)

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

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

b. **Benefits derived as a result of R & D**

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

c. **Future plan of action**

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

d. **Expenditure on R & D**

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

B. Technology absorption, adaption 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.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

b) Total Foreign exchange earned and used

S. NO.	PARTICULARS	2020-21	2019-20	(Rs./Lakh)
1	Foreign exchange earned (including deemed exports)	0	0.00	
2	Foreign exchange used	0	5.51	
3	Net foreign exchange earned	0	(5.51)	

Annexure 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted the Secretarial Audit of the compliance with the applicable statutory provisions and the adherence to good corporate practices by **S R Industries Limited** (hereinafter called 'the Company') for the financial year ended on 31st March, 2021. 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 Company's books and papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the **Financial year ended on 31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on **31st March, 2021** according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made there under; **- The Company has not complied the "Specified Companies (Furnishing of information about payment to Micro and Small Enterprise Suppliers) Order, 2019 published dated 22/01/2019 and has not filed MSME Form -1 during the year 2020-21**).
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not applicable for External Commercial Borrowing as there was no reportable event during the Financial Year under review**;
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, 2015;
   (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as the Company as there was no reportable event during the financial year under review;**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as there was no reportable event during the financial year under review;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;**

(i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **The company has complied the provisions of Listing Obligations and Disclosure Requirements, Regulations, 2015, required during the financial year, however in some cases of delay the penalty/fine has been paid by the Company**.

6. Factories Act, 1948
7. Industrial Disputes Act, 1947
8. The Payment of Wages Act, 1936
9. The Minimum Wages Act, 1948
10. Employees' State Insurance Act, 1948
11. The Employees Provident Fund and Misc. Provisions Act, 1952
12. The Payment of Bonus Act, 1965
13. The Payment of Gratuity Act, 1972
14. The Industrial Employment (Standing Orders) Act, 1946
15. The Employees Compensation Act, 1923
16. The Apprentices Act, 1961
17. Equal Remuneration Act, 1976
18. The Employment Exchange (Compulsory Notifications)
19. The Environment (Protection) Act, 1986
20. The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008
21. The Water (Prevention and Control of Pollution) Act, 1974
22. The Air (Prevention and Control of Pollution Act, 1981
23. The Income-tax Act, 1961
24. The Central Goods and Services Tax Act, 2017
25. The Integrated Goods and Services Tax Act, 2017

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) Listing Agreements entered into by the Company with BSE Limited.

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 observations as follows:**

The Company has pending litigations in Debt Recovery Tribunal in following matters:

(i) State Bank of India vs S R Industries Limited: Latest hearing held on 25/5/2021.The matter is under process. Due date for hearing on 13th September, 2021.
(ii) UCO Bank vs S R Industries Limited: Latest hearing held on 21/5/2021. The matter is under process. Due date for hearing on 6th September, 2021.

I further report that:

a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, the independent directors of the company have not been applied for inclusion of their name in the data bank as specified in Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 updated on 21st December, 2020
b. 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;
c. All the decisions of the Board and Committees thereof were carried through with requisite majority.
d. As per **Statutory Auditor Report**, para **Materiality Uncertainty Related to Going Concern**, the Auditor has stated the Companies Current liabilities exceed Current Assets and has various other factors have raised doubts about the survival of company and **Hence they are unable to comment on the ability of company to continue as going Concern**.

I further report that considering the above mentioned qualifications, the company has adequate systems and processes in place which are commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and as informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

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) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
(iv) Merger / amalgamation / reconstruction, etc.
(v) Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013
UDIN: A012333C000826190

Date: 24.08.2021
Place: Chandigarh

Annexure I

I further 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 31st Annual General Meeting was held on **18thDecember, 2020**.
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.

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013
UDIN: A012333C000826190

Date: 24.08.2021
Place: Chandigarh

Annexure II

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

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliance of laws other than those mentioned above.

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013

Date: 24.08.2021
Place: Chandigarh

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

BOARD OF DIRECTORS

The strength of the Board as on 31st March, 2021 is five directors. The Board comprises of the optimum combination of executive and non-executive directors. Two Directors including the Managing Director and Whole Time Directors (Executive Directors). There are three Non-Executive Independent Directors including a Woman Director.

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

S. No.	Name of Director	DIN	Category	No. of Board Meetings attended	Attendance at Previous AGM held on December 18, 2020	No. of Directorship(s) held**		No. of Committee Memberships**	
						As a Director	As a Chairman	As a Chairman	As a Member
1	Mr. Amit Mahajan	00038593	Whole Time Director	10	Yes	4	0	2	2
2	Mr. Munish Mahajan*	00818243	Managing Director	7	Yes	4	0	0	0
3	Mr. Udit Mayor	02425273	Independent & Non-Executive	10	Yes	2	1	2	2
4	Mrs. Anu Kumari**	08870494	Independent & Non-Executive	6	Yes	1	0	0	3
5	Mr. Gaurav Jain**	08906400	Independent & Non-Executive	5	No	1	0	0	1
6	Mr. R. C. Mahajan*	00038661	Managing Director	3	No	5	0	0	0
7	Mr. Amit Mahajan*	00038827	Director (Operational)	3	No	3	0	0	1

8	Mrs. Seema Mahajan*	06978146	Independent & Non-Executive	2	No	2	0	1	2
9	Mr. Ashish Dua*	01476215	Independent & Non-Executive	1	No	7	0	1	1

* Mr. R. C. Mahajan, (DIN: 00038661) resigned from the Board of the Company on 14th August, 2020.
Mr. Amit Mahajan (DIN: 00038827) resigned from the Board of the Company on 14th August, 2020.
Mr. Ashish Dua (DIN: 01476215) was appointed on 14th August, 2020 and resigned from the Board of the Company on 30th September, 2020.

** Mr. Munish Mahajan (DIN: 00818243) was appointed as Managing Director on the Board of the Company on 14th August, 2020.
Mrs. Anu Kumari (DIN: 08870494) was appointed as Director on the Board of the Company on 15th September, 2020.
Mr. Gaurav Jain (DIN: 08906400) was appointed as Director on the Board of the Company on 15th October, 2020.

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

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

S. No.	Name of the director	Designation	Relationship Inter-se
1	Mr. Udit Mayor	Chairman	Independent Director
2	Mr. Ramesh Chander Mahajan	Managing Director	Being a promoter, he is related to other promoters and is relative of Mr. Amit Mahajan, Director (Operations)
3	Mr. Amit Mahajan	Director (Operations)	Being a promoter, he is related to other promoters and is relative of Mr. Ramesh Chander Mahajan, Managing Director
4	Mr. Amit Mahajan	Director (Commercial)	Being a promoter, he is related to other promoters and is relative of Mr. Munish Mahajan, Managing Director
5	Mr. Ashish Dua	Director	Independent Director
6	Mr. Munish Mahajan	Managing Director	Being a promoter, he is related to other promoters and is relative of Mr. Amit Mahajan, Director (Commercial)
7	Mrs. Seema Mahajan	Director	Independent Director
8	Mrs. Anu Kumari	Director	Independent Director
9	Mr. Gaurav Jain	Director	Independent Director

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 13th November, 2020, 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.

DETAILS OF BOARD MEETING

During the Financial Year 2020-21, ten board meetings were held, the details of which are provided as follows:

S. No.	Date of the Board Meeting	No. of Directors on the date of the Meeting	No. of directors attended the meeting
1	25th June, 2020	5	5
2	27th July, 2020	5	4
3	14th August, 2020	5	5
4	15th September, 2020	4	4
5	15th October, 2020	4	4
6	13th November, 2020	5	5
7	24th November, 2020	5	5
8	11th February, 2021	5	5
9	16th February, 2021	5	5
10	17th February, 2021	5	5

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

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

Names of Directors/ Skills/ expertise/ competencies	Creative eye	Technical knowledge of the product	Managing Staff	Marketing
Mr. R. C. Mahajan	10	10	10	10
Mr. Amit Mahajan Director- Operations	10	10	10	10
Mr. Amit Mahajan Director- commercial	10	10	10	10
Mrs. Seema Mahajan	8	6.5	8	8
Mr, Udit Mayor	10	9	8	8
Mr. Munish Mahajan	10	10	10	10
Mr. Ashish Dua	8	7	6	6
Mrs. Anu Kumari	8	8	8	8
Mr. Gaurav Jain	8	8	8	8

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

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

APPOINTMENT AND RESIGNATION OF INDEPENDENT DIRECTOR(S)

Four Independent Directors resigned from the Board of the Company during the year under review.

Mr. Ashish Dua (DIN: 01476215) was appointed as Independent Director and resigned from the Board of the Company on 14thAugust, 2020 and 30th September, 2020 respectively. In his resignation, he has stated the reason for resigning is due to personal reasons. He has also confirmed that there is no other material reason other than what is stated in his resignation.

Mrs. Seema Mahajan (DIN: 06978146) resigned from the Board of the Company on 14th August, 2020due to his personal reasons. She has also confirmed that there is no other material reason other than what is stated in her resignation.

Mrs. Anu Kumari (DIN: 08870494) was appointed as Independent Director of the Company on 15th September, 2020.

Mr. Gaurav Jain (DIN: 08906400) was appointed as Independent Director of the Company on 15th October, 2020.

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**

The Audit committee as on 31st March, 2021 comprises of the following members:

NAME	DESIGNATION
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	CHAIRMAN
MR. AMIT MAHAJAN, DIRECTOR (COMMERCIAL)	MEMBER
MRS. ANU KUMARI, INDEPENDENT DIRECTOR	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 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 seven times on 10th June 2020, 27th July 2020, 28th August 2020, 15th September, 2020, 13th November, 2020, 16th February, 2021 and 17th February, 2021. The attendance at the Audit Committee Meetings is as follows:

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. AMIT MAHAJAN (DIN 00038593)	7	7
MR. UDIT MAYOR	7	7
MRS. SEEMA MAHAJAN	1	1
MR. ASHISH DUA	2	2
MRS. ANU KUMARI	3	3

- **NOMINATION AND REMUNERATION COMMITTEEs**

The Nomination and Remuneration Committee, as on 31st March, 2021 comprised of:

NAME	DESIGNATION
MRS. ANU KUMARI, INDEPENDENT DIRECTOR*	CHAIRPERSON
MR. GAURAV JAIN, , INDEPENDENT DIRECTOR*	MEMBER
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	MEMBER

*Mr. Ashish Dua (DIN: 01476215) was member of Committee as an Independent Director and thereafter resigned from the Committee and the Board of Directors of the Company on 14th August, 2020 and 30th September, 2020 respectively.

Mrs. Seema Mahajan (DIN: 06978146) resigned from the Board of the Company on 14th August, 2020

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.

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 there under
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 five time on 25th June 2020, 14th August, 2020, 15th September 2020, 15th October 2020, and 17th February, 2021.

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MRS. SEEMA MAHAJAN, INDEPENDENT DIRECTOR	2	2

MR. UDIT MAYOR, INDEPENDENT DIRECTOR	5	5
MR. ASHISH DUA, INDEPENDENT DIRECTOR	1	1
MRS. ANU KUMARI, INDEPENDENT DIRECTOR	2	2
MR. GAURAV JAIN, INDEPENDENT DIRECTOR	2	2

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

- **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee comprises of:

NAME	DESIGNATION
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	CHAIRMAN
MRS. ANU KUMARI, INDEPENDENT DIRECTOR	MEMBER
MR. AMIT MAHAJAN, DIRECTOR (COMMERCIAL)	MEMBER

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

NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mrs. Neha Aggarwal - 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: 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

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..

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.

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 present at the Annual General Meeting of the company.

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.

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.

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.

REGULATION 23 – RELATED PARTY TRANSACTIONS

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

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.

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

The independent directors have been appointed by the company in the 31stand 36th 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.

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.

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.

REGULATION 46(2) – WEBSITE

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

GENERAL BODY MEETINGS

Date	Particulars	Time	Location	Special Resolution passed
18.12.2020	31st Annual General Meeting for the Financial Year 2019-20	11:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
19.09.2019	30th Annual General Meeting for the Financial Year 2018-19	09:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
27.09.2018	29th Annual General Meeting for the Financial Year 2017-18	09:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes

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

MEANS OF COMMUNICATION

i) Quarterly Results

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

ii) Newspapers wherein results normally published

Financial Express and Desh Sewak.

iii) Website where displayed

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

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

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

DISCRETIONARY REQUIREMENTS

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

a) **The Board**

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

b) **Shareholder Rights**

The Company does not send any half yearly declaration of financial performance including summary of the significant events in last six months to shareholders separately. However, the company publishes the results for the half year end and quarterly results in the newspapers as

detailed above and the same are also available at the Company's website at www.srfootwears.com and the BSE's website.

c) **Modified opinion(s) in audit report**

The Company's financial statements for the financial year ending 31st March 2021 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 Chief Financial Officer 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

ANNUAL GENERAL MEETING

The Thirty Second Annual General Meeting of the Company is scheduled to be held on Thursday, the 30th day of September, 2021 at 03:00 PM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

FINANCIAL YEAR

The Financial Year for which the Report / Accounts pertain is from 1st April, 2020 to 31st March, 2021.

DIVIDEND PAYMENT DATE

No dividend has been recommended by the Company.

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.

CONFIRMATION OF PAYMENT OF ANNUAL LISTING FEE

The Annual Listing fee for the financial year 2020-21 has been paid to the Bombay Stock Exchange (BSE).

STOCK CODE-

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

MARKET PRICE DATA (BSE)

MONTH	HIGH PRICE (Rs.)	LOW PRICE (Rs.)
April, 2020	0.52	0.48
May, 2020	0.46	0.4
June, 2020	0.47	0.42
July, 2020	0.86	0.49
August, 2020	1.37	0.9
September, 2020	1.8	1.39
October, 2020	3.45	1.83
November, 2020	3.1	1.97
December, 2020	2.9	2.35
January, 2021	3.02	2.13
February, 2021	3.82	2.79
March, 2021	3.65	2.81

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg
Vikhroli West, Mumbai – 400 083
Tel: +91 22 49186000, Fax: +91 22 49186060
Email: mumbai@linkintime.co.in

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.

DISTRIBUTION OF SHAREHOLDING

SHAREHOLDING OF SHARES	NO. OF SHAREHOLDERS	% OF TOTAL	SHARES	% OF TOTAL
1-500	8518	84.5124	1663387	8.4550
501-1000	693	6.8757	614045	3.1212

1001-2000	299	2.9666	490660	2.4940
2001-3000	116	1.1509	305725	1.5540
3001-4000	67	0.6647	244644	1.2435
4001-5000	81	0.8037	388330	1.9739
5001-10000	111	1.1013	879866	4.4723
Above 10001	194	1.9248	15086843	76.6861
Total	10079	100	19673500	100

DEMATERIALISATION OF SHARES AND LIQUIDITY

The details of paid up capital as on 31st March 2021 is as under:

MODE OF HOLDING	NO. OF SHARES	PERCENTAGE
NSDL	9928323	50.46
CDSL	8058867	40.96
PHYSICAL	1686310	8.58
TOTAL	**19673500**	**100**

The ISIN of the Company is INE329C01011. As on 31st March 2021, 91.42 % equity shares were dematerialized in the two depositories – NSDL and CDSL.

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, 2021.

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.

PLANT LOCATIONS

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

ADDRESS FOR CORRESPONDENCE

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

CREDIT RATINGS

Not applicable

OTHER DISCLOSURES

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.

♌) **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.

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

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

♎) **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.

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

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

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

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

♑) **Disclosure of commodity price risks and commodity hedging activities**

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

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
Not applicable

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	**Name of Director**	**DIN**	**Date of appointment in Company**
1	Mr. Amit Mahajan	00038593	19/05/1997
2	Mr. Udit Mayor	02425273	14/08/2019
3	Mr. Munish Mahajan	00818243	14/08/2020
4	Mrs. Anu Kumari	08870494	15/09/2020
5	Mr. Gaurav Jain	08906400	15/10/2020

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

Place: Chandigarh
Date:31.08.2021

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013
UDIN: A012333C000859938

(j) **where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:**
There was no such instance during the financial year under review.

(k) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
a. number of complaints filed during the financial year: Nil
b. number of complaints disposed of during the financial year: Nil
c. number of complaints pending as on end of the financial year: Nil

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaimed.

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

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all members of the board of directors and senior management personnel have affirmed the compliance with the code of conduct of board of directors and senior management for the year ending 31st March, 2021.

Place: Mohali
Date:: 31.08.2021

For S. R. Industries Ltd
Sd/-
(Munish 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, 2021, 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 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.

Place: Chandigarh
Date: 31.08.2021

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013
UDIN: A012333C000859951

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

To,

The Board of Directors

S R Industries Ltd

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

(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.

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

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

We have indicated to the Auditors and the Audit Committee:

(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/-
(Munish Mahajan)
Managing Director
DIN: 00818243

Sd/-
(Amit Mahajan)
Chief Financial Officer
DIN: 00038593

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

I) INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

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

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

II) OPPORTUNITIES AND THREATS

As eyed in the 19th UTIC International Technical Footwear Congress, India is on the threshold of a great leap forward with respect to its economic growth with major path breaking initiatives taken by our dynamic Prime Minister like "Make in India" as well as "Skill India" programmes, and more recently "Atmanirbhar Bharat". The "Leather, Leather

products and Footwear" sectors have been identified as one of the sectors for intervention under Make in India programme which would further provide huge momentum for growth of footwear sector in India.

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

The Company continues to invest in Research and Development to be in a position to further substitute higher value imported footwear with its own manufacturing. The greatest opportunity continues to be the growing Indian footwear market where the demand for Branded footwear is rising rapidly. This demand is further increased by the potential for greater import substitution of expensive imported product with indigenously manufactured products. Furthermore, international sports brands are continuing to make an entry into the Indian market to sell their products, and the Company is working towards establishing relationships with new brands to increase its business prospects. There is a growing opportunity for the overseas footwear manufacturers to tap the increasing potential in India for sale of footwear. Thus, the Company is also witnessing interest from foreign buyers and is exploring opportunities for exports which will give further boost to these sales. Since the onset of COVID-19, an increasing number of consumers prefer to buy their merchandise through online channels. With a view of capitalizing on this shift, the company is planning to launch its own line of products exclusive sold through online channels.

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

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

III) SEGMENT-WISE OR PRODUCT- WISE PERFORMANCE

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

IV) OUTLOOK

The outlook for the company remains cautiously positive. The company performance was severely affected in the first half of FY 20-21 due to the effects of lockdown, and the position is improving slowly but steadily. The present order book position of the company is satisfactory and management remains confident in its ability to improve progressively. The Company is continuing its efforts to broaden the customer base and increase its product range.

V) RISKS AND CONCERNS

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

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

A worsening of the ongoing health pandemic could affect the operations as well as demand for the Company's products adversely. The Company has put various measures in place at its production facilities to ensure workers safety and control the spread of infection.

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 2020-21 decreased from 16.83 Cr. in 2019-20 to 7.44 Cr. The company during the year sold 0.19 million pairs as against 0.43 million pairs of footwear during last year. The production during the financial year was 0.19 million pairs of footwear as against 0.43 million pairs during previous year.

The duty drawback not received during the year was 0.00 lacs consistent with the previous year figures. Further, rigorous monitoring of operating overhead remained under control.

Profit/(Loss) before depreciation, interest and taxation during the financial year increased from (330.22) lacs to 240.18 lacs. The depreciation for the year was 188.03 lacs as against 213.99 lacs during last year. The financial expenses during the year 2020-21 have increased from 208.71 lacs to 327.9 lacs.

The loss before tax during the year is 275.79 lacs as against a loss 658.70 lacs in the previous year.

The Earning per share (EPS) during the year was (1.36) as compared to (3.38) for last year. The diluted EPS of (1.36) was arrived at by conversion of the weighted average no. of shares that may be issued on conversion or convertible warrants on account of requirements of the accounting standards.

The company has posted a net loss of 267 lacs during the year as against net loss of 664 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, 2021, the company employed 71 employees.

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

IX) SAFE HARBOUR

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

X) SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	FY 2020-21	FY 2019-20	YoY Change
Debtors Turnover (times)	1.31	2.99	
Inventory Turnover (times)	2.39	4.89	
Interest Coverage Ratio (times)	.732	-1.58	
Current Ratio	.19	.18	
Debt Equity Ratio	1.61	1.63	
Operating Profit Margin (%)	7 %	-.45 %	
Net Profit Margin (%)	-37 %	-.39 %	

Explanation: The inventory turnover ratio has changed from 4.89 to 2.39 in the current year. The decline is primarily on account of lower sales made in current year, operations of the company was affected by covid lockdown and consequently demand for rest of year remains also low. Interest coverage ratio has improved on account of better profitability. Operating profit margin and net profit margins have improved due to cost cutting measures taken by the company.

XI CHANGE IN RETURN ON NET WORTH

Particulars	FY 2020-21	FY 2019-20	YoY Change
Return on Net Worth %	-8.84	0.82	

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of S.R. Industries Limited
Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone IndAS Financial statements of M/s S.R. Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion section, the aforesaid standalone IndAS financial statements give the information required by the Companies Act, 2013 (as amended from time to time) hereinafter referred to as the 'Act' in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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

Interest on bank borrowings: The documented interest rate on the outstanding amount due towards State Bank of India was 16.75%, but as per the OTS with SBI, their rate of interest was 10%. Though, there was a default on part of the company in complying with the terms and conditions of the OTS proposal, however, the company is hopeful that the bank would give extension of the existing OTS done. Hence, provisioning of interest in the financial statements has been done at 10% on simple interest basis by the company. The documented interest rate on the outstanding amount due towards UCO Bank was 16.75%. Since the account has turned NPA, the management is hopeful to settle the outstanding amount with UCO bank at effective interest rate of 12%. Hence, provisioning of interest in the financial statements has been done at 12% on simple interest basis.

Emphasis of Matter – Effects of COVID-19

Due to travel restrictions imposed by Central / State Government / Local Authorities and further due to unprecedented nationwide catastrophe both attributable to Covid-19 pandemic during the period of our audit. Physical verification of inventory/stock audit could not be conducted on 31.03.2021 by visiting the premises of client. Also, due adherence has been given to ICAI's guidelines to facilitate carrying out audit remotely wherever physical access was not possible. Thus, the value of inventory/closing stock is taken as valued and certified by the management.

Owing to Covid-19 pandemic, the audit process was carried out on the basis of such documents, reports and records made available to us by the management which were relied upon as audit evidence for conducting the audit and reporting for the current period.

Due to Covid-19 Pandemic, there was impact on sales and operations of the Company from April 2020 to June 2020. Since the business sentiment started getting affected from early March, many of the customers delayed the pending orders which adversely affected sales from the period April to June 2020. Even production and logistics were affected due to different states imposing curbs on movement of people and goods in the said period.

Since the nationwide lockdown was imposed on 25th March 2020, the Company's manufacturing operations were closed between 25.03.2020 to 30.06.2020. At the same time, major customers also reduced and delayed all existing orders with the company owing to the uncertain situation and reduced demand. In addition, the Company's production and sales for the FY 20-21 shall also be impacted due to the COVID-19.

Our opinion is not modified in respect of the aforesaid matters.

Key Audit Matters

Key Audit Matters are those matters, which in our professional judgment, were of most significance in the audit of Financial Statements of Current Period and these matters were addressed in the context of audit of financial Statements as a whole and auditor does not provide a separate opinion on these matters.

Other Audit Matters

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the directors' report and the corporate governance report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard**.**

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India .

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

The balances of trade receivables, trade payables, deposits and loans & advances as appearing in the books of accounts of company are subject to verification and reconciliation.

The GST liability payable by the company (if any) would be subject to reconciliation and verification. The differences, if any, with the Books of Accounts, will be dealt with at the time of filing of Annual Return in Form GSTR9 by the company.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If, we conclude, that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and subject to notes to accounts we report that:

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

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M/S Goel Satish& Co.
Chartered Accountants
Firm Registration No. 010693N

Sd/-
(CA. Satish Goel)
Prop.
M. No. 089414
UDIN: 21089414AAAABF6789

Place: CHANDIGARH
Date: 03.07.2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of S.R. Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of **S.R. Industries Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/S Goel Satish& Co.
Chartered Accountants
Firm Registration No. 010693N

Sd/-
(CA. Satish Goel)
Prop.
M. No. 089414
UDIN: 21089414AAAABF6789

Place: CHANDIGARH
Date: 03.07.2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

i. In respect of the Company's fixed assets:

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

(b) The Company has a program of verification to cover allthe items of fixed assets. Pursuant to the program, fixed assets were physically verified by the management during the year. However, according to the information and explanations given to us, no material discrepancies are ascertained.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. Due to travel restrictions imposed by Central / State Government / Local Authorities and further due to unprecedented nationwide catastrophe both attributable to Covid-19 pandemic during the period of our audit. Physical verification of inventory/stock audit could not be conducted on 31.03.2021 by visiting the premises of client. Also, due adherence has been given to ICAI's guidelines to facilitate carrying out audit remotely wherever physical access was not possible. Thus, the value of inventory/closing stock is taken as valued and certified by the management.

iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence reporting under clause 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan,investment nor provided any guarantees and securities under Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted deposits during the year and hence reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, with certain delays, the dues including, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, **except that the company has not fulfilled its obligation to collect Tax Collected at Source (TCS) from its major debtors (i.e., Bata India Limited, Lavanya Trading Company and Padmavati Enterprises) under Section 206C(1H) of the Income Tax act, 1961 for the said year**.

b) Further, as at 31st March 2021, there are no such dues outstanding for a period of more than six months from the date they became payable.

c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ Lakhs)
Central Excise Act, 1944	Excise Duty	High Court	2001	44.00

The matters stated above are pending for adjudication at relevant authorities.

viii. The Company **has defaulted** in repayment of loans/borrowing to banks. The accounts of the Company have been classified as NPA and the notice calling to pay the outstanding under SARFAESI has been issued.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For M/S Goel Satish& Co.
Chartered Accountants
Firm Registration No. 010693N
Sd/-
(CA. Satish Goel)
Prop.
M. No. 089414
UDIN: 21089414AAAABF6789

Place: CHANDIGARH
Date: 03.07.2021

S.R. INDUSTRIES LIMITED
Balance sheet as at March 31, 2021
All amounts in Indian Rupees , except as otherwise stated
CIN: L29246PB1989PLC009531

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	16,68,42,362	18,54,29,012
Financial Assets			
(i) Security deposits	4	11,19,215	12,79,215
		16,79,61,577	18,67,08,227
Current assets			
Inventories	5	2,79,31,547	3,43,90,485
Financial Assets			
(i) Trade Receivables	6	5,68,47,082	5,63,82,500
(ii) Cash and Cash Equivalents	7	4,55,658	56,78,222
(iii) Bank Balance other than (ii) above	7	-	10,08,434
(iv) Loans and Advances	4	1,46,28,463	1,67,42,961
(v) Others	8	29,64,735	7,93,422
		10,28,27,485	11,49,96,024
Assets held for sale		-	-
		10,28,27,485	11,49,96,024
Total Assets		**27,07,89,062**	30,17,04,251
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9	19,64,57,000	19,64,57,000
Other Equity			
(i) Equity Component of Compound Financial Instrument	9	9,81,11,062	9,81,11,062
(ii) Reserve & Surplus	10	(55,46,74,157)	(53,04,76,171)
(iii) Other Reserves	10	1,72,68,900	1,72,68,900
		(24,28,37,195)	(21,86,39,209)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	6,13,08,848	8,21,60,983
(ii) Others		-	-
Provisions	12	38,27,522	59,06,750
Deferred Income	13	99,71,728	1,14,56,929
Deferred Tax Liability (Net)	14	-	-
		7,51,08,098	9,95,24,662
Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	23,14,33,841	22,01,90,010
(ii) Trade payables	16		
-Total outstanding dues to micro and small enterprices		-	-
-Total outstanding dues of creditors other than micro and small enterprices		6,73,86,598	6,20,65,046
(iii) Other Financial Liabilities	11	12,59,71,431	11,61,05,581
Provisions	12	4,53,653	85,28,264
Deferred Income	13	14,85,201	14,85,201
Other Current Liabilities	15	1,17,87,435	1,24,44,696
		43,85,18,159	42,08,18,798
Total Equity & Liabilities		**27,07,89,062**	30,17,04,251
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone Ind AS Financial Statements.

As per our report of even date

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

For M/S Goel Satish & Co.
Chartered Accountants
ICAI Firm Registration Number: 010693N

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038827)

Munish Mahajan
Managing Director
(DIN: 00818243)

per CA. Satish Goel
Partner

Membership Number: 089414

CS. Neha Aggarwal
Company Secretary
PAN: ALCPA1877C

Place: Chandigarh
Date: 03.07.2021

S.R. INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(All amounts in Indian Rupees, except as otherwise stated)

CIN: L29246PB1989PLC009531

	Notes	For the Year ended 31/03/2021	For the Year ended 31/03/2020
INCOME			
Revenue from Operations	17	7,44,90,202	16,83,10,215
Other Income	18	3,65,34,792	2,15,41,868
Total		**11,10,24,994**	18,98,52,083
EXPENSES			
Cost of materials consumed	19	5,42,68,820	10,68,53,193
Changes in inventories of finished goods, work-in-progress and stock-in-trade		16,40,872	1,44,18,213
Employee benefits expense	20	70,44,851	3,18,54,421
Finance costs	21	3,27,94,676	2,08,70,560
Depreciaton and amortization expense	3	1,88,03,429	2,13,99,190
Other expenses	22	2,40,52,296	6,97,48,540
Total		**13,86,04,944**	26,51,44,117
Profit/(Loss) before tax		**(2,75,79,950)**	(7,52,92,034)
Tax expense			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		(8,79,311)	(88,07,877)
Total tax expense		**(8,79,311)**	(88,07,877)
Profit/(Loss) for the year		**(2,67,00,639)**	(6,64,84,157)
Other comprehensive Income/(loss) (OCI)			
Items that will not be reclassified to the statement of profit and loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans		33,81,964	8,20,199
Income tax effect on above		(8,79,311)	(2,06,428)
		25,02,653	6,13,771
Total comprehensive income for the year		**(2,41,97,986)**	(6,58,70,386)
Earnings per share in Rs.			
Basic		(1.36)	(3.38)
Diluted		(1.36)	(3.38)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date

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

For M/S Goel Satish & Co.
Chartered Accountants
ICAI Firm Registration Number: 010693N

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038827)

Munish Mahajan
Managing Director
(DIN: 00818243)

per CA. Satish Goel
Partner
Membership Number: 089414

CS. Neha Aggarwal
Company Secretary
PAN: ALCPA1877C

Place: Chandigarh
Date: 03.07.2021

S.R. INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

All amounts in Indian Rupees , except as otherwise stated

CIN: L29246PB1989PLC009531

		Notes	March 31, 2021	March 31, 2020
A	**Cash Flow from Operating activities**			
	Profit before Tax		(2,75,79,950)	(7,52,92,032)
	Adjustments for:			
	Depreciation and amortisation Expense	3	1,88,03,429	2,13,99,190
	Bad debts and advances written off, allowance for doubtful trade		1,10,67,348	2,98,36,932
	Interest Income	19	(92,898)	(1,09,656)
	Finance Costs	22	3,27,94,676	2,08,70,560
	Liabilities/ Provisions Written back due to Actuarial Gain/(Loss)		33,81,964	8,20,199
			6,59,54,519	7,28,17,225
	Operating Profit before working capital changes (1+2)		3,83,74,570	(24,74,807)
	Movement in working capital :			
	Trade and other receivables and prepayments		(1,14,28,746)	3,35,91,512
	(Increase)/Decrease in Inventories	6	64,58,938	3,31,74,302
	Increase/(Decrease) Trade and other payables and Provisions		(69,74,749)	(3,47,03,904)
			(1,19,44,556)	3,20,61,910
	Cash generated from Operations (3+4)		2,64,30,013	2,95,87,103
	Taxes (Paid) /Refund		-	-
	Net Cash Flows from Operating Activities (5-6)		2,64,30,013	2,95,87,103
B	**Cash Flow from Investing activities:**			
	Purchase of Property, Plant and Equipment(PPE)	3	(2,16,779)	(47,72,560)
	Proceeds from fixed deposits matured during the year	8	10,08,434	(98,519)
	Interest Income	19	92,898	1,09,656
	Net cash flow from /(used in) Investing activities:		8,84,553	(47,61,423)
C	**Cash Flow from financing activities:**			
	Increase/(Decrease) in Equity Share Capital		-	-
	Increase/(Decrease) in Capital Reserve		-	-
	Increase/(Decrease) in Repayments of Term Loans		-	-
	Increase/(Decrease) in Repayments of Cash Credit		(27,13,128)	(1,00,94,276)
	Increase/(Decrease) in Interest accured and due on Cash Credit		1,39,56,957	1,08,74,779
	Increase/(Decrease) in Interest accured and due on TL		98,65,850	63,72,720
	Increase/(Decrease) in Unsecured Loans		(2,08,52,135)	(67,35,195)
	Finance Costs	22	(3,27,94,676)	(2,08,70,560)
	Net cash (used in) financing activities:		(3,25,37,131)	(2,04,52,532)
D	**Net change in cash and cash equivalents (A+B+C)**		(52,22,565)	43,73,148
	Cash and cash equivalents at the beginning of the year		56,78,220	13,05,072
	Cash and cash equivalents at year end		4,55,658	56,78,220
Summary of significant accounting policies		2.1		

As per our report of even date

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

For M/S Goel Satish & Co.
Chartered Accountants
ICAI Firm Registration Number: 010693N

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038827)

Munish Mahajan
Managing Director
(DIN: 00818243)

per CA. Satish Goel
Partner
Membership Number: 089414

CS. Neha Aggarwal
Company Secretary
PAN: ALCPA1877C

Place: Chandigarh
Date: 03.07.2021

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31,2021

a. Equity Share Capital:

Equity Shares of INR 10 each issued, subscribed and fully paid	No.	INR
At 31st March 2020	1,96,73,500	19,64,57,000
Changes during the year	-	-
At 31st March 2021	1,96,73,500	19,64,57,000

b. Other Equity

For the year ended 31st March 2021

	Equity Component of Redeemable Preference Shares	Reserves and Surplus			Total Equity
		Share Premium	Capital Reserve	Retained Earnings	
Balance as at 1st April 2020	9,81,11,062	1,18,05,000	54,63,900	(53,04,76,171)	(41,50,96,209)
Profit for the period				(2,67,00,639)	(2,67,00,639)
Other Comprehensive Income				25,02,653	25,02,653
	9,81,11,062	1,18,05,000	54,63,900	(55,46,74,157)	(43,92,94,195)
Balance as at 31st March 2021	9,81,11,062	1,18,05,000	54,63,900	(55,46,74,157)	(43,92,94,195)

For the year ended 31st March 2020

	Equity Component of Redeemable Preference Shares	Reserves and Surplus			Total Equity
		Share Premium	Capital Reserve	Retained Earnings	
Balance as at 1st April 2019	9,81,11,062	1,18,05,000	54,63,900	(46,46,05,787)	(34,92,25,825)
Profit for the period			-	(6,64,84,155)	(6,64,84,155)
Other Comprehensive Income				6,13,771	6,13,771
	9,81,11,062	1,18,05,000	54,63,900	(53,04,76,171)	(41,50,96,209)
Balance as at 31st March 2020	9,81,11,062	1,18,05,000	54,63,900	(53,04,76,171)	(41,50,96,209)

As per our report of even date

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

For M/S Goel Satish & Co.
Chartered Accountants
ICAI Firm Registration Number: 010693N

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038827)

Munish Mahajan
Managing Director
(DIN: 00818243)

per CA. Satish Goel
Partner
Membership Number: 089414

CS. Neha Aggarwal
Company Secretary
PAN: ALCPA1877C

Place: Chandigarh
Date: 03.07.2021

1. Corporate Information

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

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

The financial statements were authorized for issue in accordance with a resolution by the Board of Directors of the Company on 03.07.2021.

2. Basis of Preparation of standalone Ind AS financial statements

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

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

In respect of financial information for the year ended 31st March 2021, the Company followed the same Accounting Policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1st April 2016.

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

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

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

2.1 Summary of Significant Accounting Policies

(A) Property, Plant & Equipment

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognized

of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

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

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

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

(B) Current versus Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(C) Taxes

(i) Current Income Tax

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

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

(ii) Deferred Tax

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

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

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

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

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

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

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

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

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

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

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

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

When receivables and payables are stated with the amount of tax included
The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the balance sheet.

(D) Inventory

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

(i) Raw materials/ Stores & Spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

(ii) Finished goods and Work In Progress: Cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on the basis of cost or net realizable value whichever is lower.

(iii) Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

(E)Financial Instruments

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

(a) Financial Assets

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

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

- Those measured at amortized cost

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

i. Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

ii. Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

Derecognition

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

1. the rights to receive cash flows from the asset have expired, or

2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

- the Company has transferred the rights to receive cash flows from the financial assets or
- The Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Impairment of financial assets

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

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

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

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date

which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(b) **Financial Liabilities**

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

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

Trade Payables

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

Financial Liabilities at fair value through profit & loss

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

Loans & Borrowings

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

Derecognition

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

Offsetting of financial instruments

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

(F) Cash & Cash Equivalents

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

(G) Mandatorily Redeemable Preference Shares

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

On issuance of the mandatorily redeemable preference shares with dividends declared at the issuer's discretion, the present value of the redeemable amount is calculated using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on redemption. The unwinding of the discount on this component is recognized in profit or loss and classified as interest expense.
The remainder of the proceeds is recognized and included in equity as per Ind AS 32. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the equity component is not premeasured in subsequent years.

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

(H) Provisions

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

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

Contingent Liabilities

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

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

(I) Employee Benefits

- *Short term obligations*

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

- *Other Long-term employee benefit obligations:*

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

Gratuity Obligations:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.
Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

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

(J)Revenue Recognition:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.
Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
Interest income is recognised using the effective interest rate (EIR) method.

(K) Leases

Company, as a lessee

The Company as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements (if any) , if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease(if any). Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately.

The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(L) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(M) Significant accounting judgments, estimates and assumptions

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

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Operating lease commitments - Company as lessee

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

Estimates and assumptions

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

a. Taxes

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

b. Defined benefit plans

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

c. Fair value measurement of financial instrument

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

(N) Borrowing Costs

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

in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the borrowing costs.

(O) Impairment of Non-Financial Assets:

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

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

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

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.
Impairment losses of operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.
After impairment depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

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

(P) Government Grants:

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

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

(Q) Earnings per share:

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

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

2.2 Standards issued but not yet effective:

There are no standards or amendments issued on or before March 31, 2021 and not yet effective, which may have any material impact on the standalone Ind AS financial statements of the Company.

Note: 3 Property, Plant and Equipment (PPE)

Particulars	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fitting & Equipments/ Installations	Vehicles	Others Equipments	Total
	INR	INR	INR	INR	INR	INR	INR
Year ended 31 March, 2020							
Gross Carrying Amount							
Opening Gross Carrying Amount	1,63,75,392	7,48,55,454	15,74,39,411	1,50,93,348	30,53,692	2,07,52,422	28,75,69,719
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2020	1,63,75,392	7,48,55,454	15,74,39,411	1,50,93,348	30,53,692	2,07,52,422	28,75,69,719
Accumulated Depreciation							
Opening Accumulated Depreciation	-	87,15,411	5,81,58,170	89,28,981	21,72,137	27,66,818	8,07,41,517
Depreciation charge during the year	-	29,05,137	1,37,62,335	29,80,496	3,98,869	13,52,353	2,13,99,190
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2020	-	1,16,20,548	7,19,20,505	1,19,09,477	25,71,006	41,19,171	10,21,40,707
Net Carrying Amount as at 31 March 2020	1,63,75,392	6,32,34,906	8,55,18,906	31,83,871	4,82,686	1,66,33,251	18,54,29,012
Period/Year ended 31 March, 2021							
Gross Carrying Amount							
Opening Gross Carrying Amount	1,63,75,392	7,48,55,454	15,74,39,411	1,50,93,348	30,53,692	2,07,52,422	28,75,69,719
Additions	-	-	-	-	-	2,16,779	2,16,779
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2021	1,63,75,392	7,48,55,454	15,74,39,411	1,50,93,348	30,53,692	2,09,69,201	28,77,86,498
Accumulated Depreciation							-
Opening Accumulated Depreciation	-	1,16,20,548	7,19,20,505	1,19,09,477	25,71,006	41,19,171	10,21,40,707
Depreciation charge during the year	-	29,05,137	1,37,70,442	6,11,090	1,33,275	13,83,484	1,88,03,429
Disposals	-	-	-	-	-	-	-
							-
Closing Accumulated Depreciation as at 31 March 2021	-	1,45,25,685	8,56,90,947	1,25,20,567	27,04,281	55,02,655	12,09,44,136
							-
							-
Net Carrying Amount as at 31 March 2021	1,63,75,392	6,03,29,769	7,17,48,464	25,72,781	3,49,411	1,54,66,546	16,68,42,362
Net Book Value							
At 31 March 2021	1,63,75,392	6,03,29,769	7,17,48,464	25,72,781	3,49,411	1,54,66,546	16,68,42,362
At 31 March 2020	1,63,75,392	6,32,34,906	8,55,18,906	31,83,871	4,82,686	1,66,33,251	18,54,29,012

No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year 31 March 21 - Nil

Charge on PPE

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

4. Financial Assets - Loans	31-Mar-21	31-Mar-20
Unsecured, considered good	**INR**	**INR**
(a) Others Advances	1,46,28,463	1,67,42,961
(b) Security	11,19,215	12,79,215
	1,57,47,678	**1,80,22,176**
Current	1,46,28,463	1,67,42,961
Non Current	11,19,215	12,79,215

5. Inventories	31-Mar-21	31-Mar-20
(valued at lower of cost and net realisable value)	**INR**	**INR**
(a) Raw Materials	1,41,50,895	1,51,71,427
(b) Work-in-progress	-	-
(c) Finished Goods	16,91,528	33,32,400
(d) Consumable	1,14,32,148	1,47,10,348
(e) Stores and spares	6,56,976	11,76,310
Total	**2,79,31,547**	**3,43,90,485**

6. Trade receivables	31-Mar-21	31-Mar-20
Considered good	**INR**	**INR**
Secured	-	-
Unsecured	5,68,47,082	5,63,82,500
Total	**5,68,47,082**	**5,63,82,500**

The Company has written off Trade Recievables amounting to **Rs. 129.11 Lakhs** Which remained outstanding for over three years, which despite the best efforts by the mangement, the recovery could not be made and moreover several of them have gone out of business. In view of the same, the management decide to write of the same.

No trade or other receivables are due from Directors or other officers of the company, either severally or jointly with any other person. Trade receivables are non interest bearing and generally on terms of 30-90 days.

7. Cash and cash equivalents	31-Mar-21	31-Mar-20
	INR	**INR**
(a) Bank balances on current accounts		
(i)Bank balances held as margin money or as security against:		
Guarantees	-	10,08,434
(ii)Other Bank balances	8,280	15,305
(b) Cash on hand	4,47,378	56,62,917
Total	**4,55,658**	**66,86,656**
Cash & Cash Equivalents	4,55,658	56,78,222
Bank Balance other than above	-	10,08,434

8. Other Financial Assets	31-Mar-21	31-Mar-20
	INR	**INR**
Unsecured, considered good		
(a) Balance with statutory/ government authorities	28,46,711	7,15,398
(b) Interest accrued on Security Deposits	1,18,024	78,024
	29,64,735	**7,93,422**
Current	29,64,735	7,93,422

9. Share Capital

9.1 Authorised Share Capital

(a) Equity Shares	No.	INR
At 31st March, 2020	2,15,00,000	21,50,00,000
Changes during the year	-	-
At 31st March, 2021	2,15,00,000	21,50,00,000

Terms/ rights attached to Equity Shares

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

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

(b) 8% Non Cumulative Redeemable Preference Shares	No.	INR
At 31 March 2020	1,50,00,000	15,00,00,000
Changes during the year	-	-
At 31 March 2021	1,50,00,000	15,00,00,000

Terms/ rights attached to Preference Shares

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

The Management of the company has decided not to pay dividend.

9.2 Issued Share Capital

(a) Equity Shares	No.	INR
At 31 March 2020	1,96,73,500	19,67,35,000
Changes during the year	-	-
At 31 March 2021	1,96,73,500	19,67,35,000

(b) Equity Component of Redeemable Preference Shares of INR 100 each issued and fully paid	No.	INR
At 31 March 2020	14,60,000	9,81,11,062
Changes during the year	-	-
At 31 March 2021	14,60,000	9,81,11,062

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

9.3 Subscribed Share Capital

(a) Equity Shares of INR 10 each	Subscribed & Fully Paid	Subscribed but not Fully Paid
At 31 March 2020	19,64,57,000	2,78,000
Changes during the year	-	-
At 31 March 2021	**19,64,57,000**	**2,78,000**

(b) Equity Component of redeemable Preference Shares of INR 100 each issued and fully paid	No.	INR
At 31 March 2020	14,60,000	9,81,11,062
Changes during the year	-	-
At 31 March 2021	**14,60,000**	**9,81,11,062**

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

Name of the shareholder	31-Mar-21		31-Mar-20	
	No.	% holding in the class	No.	% holding in the class
Equity Shares of INR 10 each				
1. Amit Mahajan	13,50,313	6.86%	13,50,313	6.86%
2. Geeta Kirti Ambani and Amar Kirti Ambani	11,02,500	5.60%	11,02,500	5.60%
Preference Shares of INR 100 each				
1. Amit Mahajan S/o Late Sh. Y.D. Mahajan	5,69,481	39.01%	5,69,481	39.01%
2. Pride Properties Private Limited	1,42,400	9.75%	1,42,400	9.75%
3. Beckons Industries Private Limited	75,000	5.14%	75,000	5.14%
4. Universal Cyber Infoways Private Limited	4,36,350	29.89%	4,36,350	29.89%
5. R.C. Mahajan	87,500	5.99%	87,500	5.99%
6. Amit Mahajan S/o R.C. Mahajan	75,269	5.15%	75,269	5.15%
7. Krishna Garden Private Limited	74,000	5.07%	74,000	5.07%

10. Other Equity

	31-Mar-21	31-Mar-20
	INR	INR
(a) Securities premium	1,18,05,000	1,18,05,000
(b) Capital Reserve	54,63,900	54,63,900
(c) Retained earnings	(55,46,74,157)	(53,04,76,171)
	(53,74,05,257)	**(51,32,07,271)**
Reserves and surplus	(55,46,74,157)	(53,04,76,171)
Other reserve	1,72,68,900	1,72,68,900

Securities premium reserve	31-Mar-21	31-Mar-20
	INR	INR
Opening Balance	1,18,05,000	1,18,05,000
Closing Balance	**1,18,05,000**	**1,18,05,000**

Retained earnings	31-Mar-21	31-Mar-20
	INR	INR
Opening balance	(53,04,76,171)	(46,46,05,787)
Net profit for the period	(2,67,00,639)	(6,64,84,155)
Items of other comprehensive income recognised directly in retained earnings	25,02,653	6,13,771
Closing balance	**(55,46,74,157)**	**(53,04,76,171)**

11. Borrowings

	Effective Interest rate	Maturity	Installment (No.)	31-Mar-21	31-Mar-20
				INR	INR
Non-Current Borrowings					
Term Loan					
(A) From Banks*					
(i) Term Loan from SBI (Secured)**	10.00%	2011-2019	28	4,54,04,658	4,19,11,528
(ii) Term Loan from UCO Bank (Secured)**	12.00%	2011-2019	28	8,05,66,773	7,41,94,053
(B) Liability Component of Compound Financial Instrument (Unsecured)	16.75%	2011-2031 & 2013-2033	Lumpsum	2,68,16,175	2,29,68,887
(C) Unsecured loans					
- From Directors (Unsecured) (Refer Note No 24)				3,44,92,673	5,39,27,885
- From Intercorporate (Unsecured) (Refer Note No 24)				-	52,64,211
Total borrowings				**18,72,80,279**	**19,82,66,564**
Less: Current maturities of debt				(8,80,37,299)	(8,80,37,299)
Less: Interest accrued and due				(3,79,34,132)	(2,80,68,282)
Non current borrowings				**6,13,08,848**	**8,21,60,983**

	Effective Interest rate	Maturity	31-Mar-21	31-Mar-20
			INR	INR
Current borrowings				
(A) Loans repayable on demand				
Secured				
From banks				
-State Bank of India		On Demand	8,53,05,665	9,03,05,665
-UCO Bank		On Demand	8,93,06,438	8,70,19,565
Interest accrued and due			5,68,21,738	4,28,64,780
Total Current borrowings			**23,14,33,841**	**22,01,90,010**

	31-Mar-21	31-Mar-20
(B) Other Financial liablities	INR	INR
Current**		
Secured		
Current maturities of debt (SBI)	3,49,31,299	3,49,31,299
Current maturities of debt (UCO)	5,31,06,000	5,31,06,000
Interest accrued and due	3,79,34,132	2,80,68,282
	12,59,71,431	**11,61,05,581**

* The Term Loan & Cash credit facilities from Banks are secured by first pari passu charge on the entire current assets of the company present and future and on the entire fixed assets of the company (both present & future), including equitable mortgage of land & building of the Company's factory at Village Kuranwala Derabassi, and Village Singha Tehsil Haroli, Distt. UNA (H.P.) and personal guarantee of the following:

1) Sh. Ramesh Chander Mahajan
2) Sh. Amit Mahajan
3) Sh. Amit Mahajan
4) Smt. Sangeeta Mahajan
5) Smt. Suman Mahajan
6) Sh. Munish Mahajan

** Our sanctioned interest rate on the outstanding amount due towards State Bank of India was 16.75% , but as per the OTS with SBI , our rate of interest was 10%. Though, there was a default on part of the company in complying with the terms and conditions of the OTS proposal, however, the company is hopeful that the bank would give extension of the exisiting OTS done. Hence, provisioning of interest in the financial statements has been done at 10% on simple interest basis. For more information, refer Note No. 25.

*** Our sanctioned interest rate on the outstanding amount due towards UCO Bank was 16.75%. Since the account has turned NPA, the management is hopeful to settle the outstanding amount with UCO bank at effective interest rate of 12%. Hence, provisioning of interest in the financial statements has been done at 12% on simple interest basis. For more information, refer Note No. 25.

**** The entire amount due to SBI and UCO Bank has become overdue for payment. That's why it is shown under short term borrowings.

12. Provisions

	31-Mar-21	31-Mar-20
	INR	INR
(a) Provision for employee benefits	42,81,175	1,44,35,014
	42,81,175	**1,44,35,014**
Current	4,53,653	85,28,264
Non-Current	38,27,522	59,06,750

13. Deferred Income

	31-Mar-21	31-Mar-20
	INR	INR
(a) Deferred Income on account of Investment Subsidy	11,22,000	13,22,000
(b) Deferred Income on account of Govt. grant for Property, Plant and Equipments	1,03,34,929	1,16,20,130
	1,14,56,929	**1,29,42,130**
Current	14,85,201	14,85,201
Non-Current	99,71,728	1,14,56,929

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

14. Deferred Tax Assets/Liabilities (Net)

	31-Mar-21	31-Mar-20
	INR	INR
Deferred Tax Asset/ (Liability) - Net	-	-
	-	-
Non-Current	-	-

Reconciliation of Tax Expense and the Accounting Profit multiplied by India's domestic Tax rate for 31 March 2020 and 31 March 2021:

	31-Mar-21	31-Mar-20
	INR	INR
Accounting Profit before Income Tax	(2,75,79,950)	(7,52,92,032)
At India's statutory Income Tax rate of 26%	(71,70,787)	(1,89,49,499)
Non-deductible Expenses for Tax purposes	(1,16,605)	81,29,059
Utilisation of previously unrecognised Tax Losses	72,87,392	1,08,20,440
Income tax expenses reported in the statement of Profit & Loss A/c	-	-

Reconciliation of Deferred Tax Liabilities (Net):	31-Mar-21	31-Mar-20
	INR	INR
Opening Balance as on 1 April	(0)	(86,01,449)
Tax (Income)/Expense during the period recognised in Profit or Loss	(8,79,311)	88,07,877
Tax (Income)/Expense during the period recognised in OCI	8,79,311	(2,06,428)
Closing Balance as at 31 March	(0)	(0)

Deferred Tax relates to the following:	Balance Sheet		Profit & Loss	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
WDV of Property, Plant and Equipment and intangible assets (excluding freehold land)	2,45,21,639	2,65,05,487	(19,83,848)	(41,19,841)
Debt Component of CFI	3,09,87,795	3,09,64,471	23,324	(18,80,402)
Deferred income	-	-	-	-
Provision for Employee Benefits	(11,13,106)	(36,33,004)	25,19,898	3,35,477
Interest Accrued and due	(2,46,36,526)	(1,78,52,433)	(67,84,093)	(1,78,52,433)
Other Current Liabilities	(4,612)	-	(4,612)	-
Unabsorbed Depreciation	(5,57,96,919)	(5,17,65,208)	(40,31,711)	(8,64,937)
Business losses	-	-	-	-
Tax during the period recognised in OCI	-	-	8,79,311	(2,06,428)
Deferred Tax Asset to the extent of Deffered tax Liability written off	2,60,41,729	1,57,80,687	1,02,61,042	1,57,80,687
Deferred Tax Expense/(Income)			8,79,311	(88,07,877)
Net Deferred Tax assets/(Liabilities)	-	-		

15. Other Liabilities	31-Mar-21	31-Mar-20
	INR	INR
(a) Statutory Dues Payables	1,76,491	4,29,223
(b) Other liabilities and payables	1,16,10,944	1,20,15,473
	1,17,87,435	**1,24,44,696**
Current	1,17,87,435	1,24,44,696

16. Trade payables	31-Mar-21	31-Mar-20
	INR	INR
(a) Total outstanding dues of micro and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises		
(i) Trade payables - Raw material	6,46,91,180	5,86,48,759
(ii) Trade payables- Others	26,95,418	34,16,287
Total	**6,73,86,598**	**6,20,65,046**

Terms and conditions of the above financial liabilities

- ► Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.
- ► None of the parties have informed the company about their status as MSME.
- ► The Company also written back creditors to Rs. 18.44 lakhs with whome there has not been any communication for over three years and some of these entities have ceased to exist. Therefore, the management has taken the decision to write back the same

17. Revenue from operations	31-Mar-21	31-Mar-20
	INR	INR
Revenue from Sale of Products	7,44,90,202	16,83,10,215
Total	**7,44,90,202**	**16,83,10,215**

18. Other income	31-Mar-21	31-Mar-20
	INR	INR
(a) Interest Income	92,898	1,09,656
(b) Deferred Income- Govt. Grant	14,85,201	14,97,269
(c) Other Non-Operating Income/(Expenses) (Net of Expenses directly attributable to such income)*	3,49,56,693	1,99,34,943
	3,65,34,792	**2,15,41,868**

* The other non- operating income of Rs. 3,49,56,693/- includes creditors written off amounting to Rs. 18,44,355/- bad debts earlier written off now recovered amounting to Rs. 10,11,746/- and unsecured loans written off amounting to Rs. 3,21,00,592/-

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

19. Cost of materials consumed

	31-Mar-21	31-Mar-20
	INR	INR
Inventory at the beginning of the year	2,98,81,775	4,66,83,122
Add: Purchase	4,99,70,087	9,00,51,846
	7,98,51,862	**13,67,34,968**
Less: Inventory at the end of the year	2,55,83,043	2,98,81,775
Cost of materials consumed	**5,42,68,820**	**10,68,53,193**

20. Employee benefits expense

	31-Mar-21	31-Mar-20
	INR	INR
(a)Salaries, wages and bonus	1,28,65,048	2,89,39,292
(b) Contribution to provident and other funds	2,16,292	7,97,607
(c)Gratuity expense	6,03,096	9,20,088
(d) Leave Encashment	(66,80,468)	3,04,290
(e)Staff welfare expenses	40,883	8,93,144
	70,44,851	**3,18,54,421**

21. Finance costs

	31-Mar-21	31-Mar-20
	INR	INR
(a) Interest expense	3,27,54,658	2,08,33,977
(b) Other borrowing costs	40,017	36,583
	3,27,94,676	**2,08,70,560**

22. Other expenses

	31-Mar-21	31-Mar-20
	INR	INR
(a) Power and Fuel	36,14,072	63,08,278
(b) Other manufacturing expenses	13,09,843	40,88,946
(c) Repairs and maintenance		
Plant and machinery	1,10,337	95,673
(d) Rent	3,80,000	17,90,000
(e) Insurance	3,61,376	3,04,225
(f) Selling Expenses	25,54,954	82,31,274
(g) Vehicle Running & Maintenance	15,500	8,80,064
(h) Travelling and conveyance	1,46,138	7,99,297
(i) Legal and professional fees	10,26,786	18,18,983
(j) Auditor's Remuneration		
Statutory audit fees	90,000	90,000
Tax audit fees	20,000	20,000
(k) Bad debts	1,29,11,703	2,95,51,164
(l) Exice duty of early years paid	-	1,42,89,450
(m) Balance with revenue authorities written off	-	6,14,824
(n) Other Expenses	15,11,587	8,66,362
	2,40,52,296	**6,97,48,540**

Other Expenses

	31-Mar-21	31-Mar-20
(a) Penalty Charges	9,05,085	2,94,732
(b) Interest on late payment of TDS	3,33,764	-
(c) Postage, Telegram & Telephone	57,686	2,60,734
(d) Miscellaneous Administrative Expenses	2,15,052	3,63,948
	15,11,587	9,19,414

23. Contingent liabilities

The Central Excise Authorities, Mumbai had imposed duty and penalty aggregating to Rs. 44.00 Lacs for purchase of certain items against CT-3 forms without payment of duty as shown in the following table:

(Amount in Rs. Lakhs)

S. No.	SCN No. & Date	Order No. & Date	Party	Duty	Penalty
1	DGAE/DZU/37/98 dated 21.06.2001	170/COMMR(AH)/05 dated 27.10.2005	M/s Parshava Textiles Pvt Ltd	-	9.00
2	DGAE/DZU/37/98 dated 04.07.2001	17/COMMR(AH)/06 dated 19.10.2006	M/s Baroda Textiles Ltd	-	35.00
TOTAL				**-**	**44.00**

The above stated matters is sub-judice before the Honorable High Court.

24. Bank Borrowings

a) The Banks (SBI and UCO Bank) have classified the accounts of the Company as Non-Performing Assets on 30.06.2017 and issued notices under SARFAESI Act, 2002 on 02.05.2018 and 24.09.2018 respectively.

b) The Company submitted proposal to State Bank of India for settlement of its dues through One Time Settlement Scheme (OTS) on 10.07.2019. State Bank of India approved the same vide Sanction Letter No. SAMB/CHD/T-1/1920 dated 11.02.2020. The total debt was settled for an amount of Rs. 850 Lakhs against the outstanding amount of Rs 1340.37 Lakhs. The company is in talks with UCO bank for settlement of its loan.

As per the scheme, the Company was required to deposit Rs. 50 Lakhs as upfront and balance as per the schedule given below:

Date	Amount (Rs in Lakhs
Upto 11.03.2020	100
Upto 11.05.2020	210
Upto 11.07.2020	240
Upto 11.08.2020	250
Total	**800**

The Company submitted another proposal to State Bank of Indiaon 27.08.2020 for extension of time for payment of balance compromise amount of Rs. 722 lakhs upto 31.03.2021. State Bank of India approved the same vide Sanction Letter No. SAMB/CHD/T-1/956/A dated 29.10.2020.

As per the extended timeline, the Company was required to deposit Rs. 722 Lakhs as per the schedule given below:

Date	Amount (Rs in Lakhs
Upto 28.11.2020	120
Upto 31.10.2020	240
Upto 31.12.2020	240
Upto 31.03.2021	122
Total	**722**

The Company paid only Rs. 138 Lakhs till Balance Sheet date inclusive of upfront payment and the Company and promoters could not fulfill its commitment to repay the balance in time.

25. Goods and Services Tax (GST)

The GST Returns filed monthly by the Company are subject to reconciliation and the differences, if any, with the Books of Accounts, will be dealt with at the time of filing of Annual Return in Form GSTR9 by the company.

26. Adverse effect of Covid-19 on sales:

The Company did have some impact on sales and operations from the period April, 2020 to June, 2020. Since the business sentiment started getting affected from early March, many of the customers delayed the pending orders which adversely affected sales from April2020 and onwards. Even production and logistics were affected due to different states imposing curbs on movement of people and goods in April,2020.

27. Deferred Tax

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

The Company has brought forward losses (Business Loss) of Rs 368.85 Lakhs (pertaining to A.Y. 2013-14) and Rs. 1401.73 Lakhs (pertaining to AY 2019-20) that are available for offsetting for eight years against future taxable profits of the Company.

The Company has not recognized Deferred Tax Asset as a matter of prudence specifically in the light of accumulated losses and due to continuing losses incurred by the company in the past.Further, it seems that there will be no taxable profits in near future for utilization of this deferred tax asset.

28. Related Party Transactions

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

Key Management Personnel	As on Date	Short Term Employee Benefits	Post-Employment Benefits	Loans Given/ (Received)	(Repayme-nt)/ Received	Amounts owed by Key Management Personnel
AmitMahajan (Director Commercial)	31/03/2021	-	14.59	-	-	-

Key Management Personnel	As on Date	Short Term Employee Benefits	Post-Employment Benefits	Loans Given/ (Received)	(Repayme-nt)/ Received	Amounts owed by Key Management Personnel
	31/03/2020	1.06	13.09	-	-	-
AmitMahajan (Director Operations)	31/03/2021	-	-	-	-	-
	31/03/2020	-	13.39	-	-	-
R.C. Mahajan (Managing Director)(Retd)	31/03/2021	-	-	-	-	-
	31/03/2020	2.55	80.09	-	-	-
Munish Mahajan (Managing director)	31/03/2021	-	8.66	-	-	-
	31/03/2020	-	-	-	-	-
Director sitting Fee	31/03/2021	-	-	-	-	-
	31/03/2020	-	-	-	-	-
Company Secretary	31/03/2021	1.28	-	-	-	-
	31/03/2020	3.48	0.26	-	-	-

Particulars	As on Date	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts receivable to related parties	Loans Given/ (Received)	(Repayment)/ Received	Amounts payable to related parties
		INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Entity in which the Directors are interested	31/03/2021	-	-	-	-	-	-	-
	31/03/2020	-	-	-	-	-	-	-
Universal Cyber Info way Pvt. Ltd.	31/03/2021	-	-	-	-	-	-	-
	31/03/2020	-	-	-	-	-	-	52.64
Directors	31/03/2021	-	-	-	-	(232.52)	426.87	344.93
	31/03/2020	-	-	-	-	(155.41)	55.10	539.28

Terms and conditions of transactions with related parties

Outstanding balances of Unsecured Loan from the Directors at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related

parties (31st March 2021: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29. Employee Benefits

A. Defined Contribution Plan

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

(Amount in Rs. Lakhs)

Particulars	2020-21	2019-20
Employer's contribution towards Provident Fund	1.75	5.78

B. Defined Benefit Plan

General description of the plan:

Gratuity	Leave Encashment
Unfunded	Unfunded

Method of valuation: Projected Unit Credit Method

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

(Amount in Rs.Lakhs)

Item	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Net opening liability/(asset)	51.62	57.91	92.73	94.72
Expenses as recognized in P&L account	6.03	9.20	7.97	10.54
Re measurements	(33.82)	(8.20)	(74.77)	(7.50)
Contributions/benefits paid	(2.77)	(7.29)	(4.18)	(5.03)
Net closing liability(asset)	21.06	51.62	21.75	92.73

D. Fair Value of Plan Assets

(Amount in Rs. Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Fair value of plan assets at the beginning of the period	-	-	-	-
Expected Return on plan assets	-	-	-	-
Contributions paid by the employer	2.77	7.29	4.18	5.03
Benefit paid by Fund	(2.77)	(7.29)	(4.18)	(5.03)
Assets Acquired/Ceded on settlement	-	-	-	-
Actuarial Gains/(Losses) on plan assets	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-
Fair value of plan assets at the end of the period	-	-	-	-

E. Amount recognized in the balance sheet:

(Amount in Rs. Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Present value of Defined Benefit Obligation/ Long Term Employment Benefit Plan	21.06	51.61	21.75	92.73
Fair Value of plan assets	-	-	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	21.06	51.61	21.75	92.73

F. Expense Recognized in Profit or Loss Statement

(Amount in Rs. Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Current Service Cost	2.72	4.97	2.02	3.63
Interest Cost	-	-	-	-
Actuarial (Gain)/Loss of obligations	-	-	(74.77)	(7.50)
Actuarial (Gain)/Loss of plan assets	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	3.31	4.23	5.94	6.91
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	6.03	9.20	(66.80)	3.04

G. Amount Recognized in Other Comprehensive Income

(Amount in Rs. Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	-	1.79	-	1.83

Particulars	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(33.82)	(9.99)	(74.77)	(9.33)
Return on plan assets other than amounts included in net interest cost	-	-	-	-
Re-measurement arising from change in asset ceiling	-	-	-	-
Net(Income)/Expense for the period recognized in Other Comprehensive Income	(33.82)	(8.20)	(74.77)	(7.50)

H. Valuation Assumptions

(Financial)

Particulars	2021	2020
Discount Rate	6.41%	6.41%
Estimated rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	N.A.	N.A.

(Demographic)

Mortality basis	100% of Indian Assured Lives Mortality 2012-14
Attrition	5.00%
Disability	No explicit allowance
Leave Availment Factor	0%

Average Weighted Duration of Liabilities:

Sensitivity Analysis

(Amount in Rs.Lakhs)

Item	Gratuity		Leave Encashment	
	2021	2020	2021	2020
Increase Discount Rate by 0.50%	20.46	50.59	21.14	91.68
Decrease Discount Rate by 0.50%	21.69	52.69	22.39	93.82
Increase Salary Inflation by 1%	22.36	53.69	23.03	94.93
Decrease Salary Inflation by 1%	19.87	49.72	20.56	90.67
Increase in Withdrawal Rate by 5%	21.39	51.97	22.22	0.71
Decrease in Withdrawal Rate by 5%	20.49	50.84	21.07	1.06

The valuesas reported in Point A to H above, have been taken as certified in the actuarial report for the FY 2020-21 dated 26th May, 2021.

30. Fair Value of Financial Instruments

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

(**Amount in Rs. Lakhs)**

Category	Carrying Value		Fair Value	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Financial asset at amortized cost				
Loans (refer note no 4)	157.48	180.22	157.48	180.22
Other current financial assets (refer note no 6)	568.47	563.83	568.47	563.83
Financial liabilities at amortized cost				
Non-Current Borrowings including current maturities (refer note no 11)	1872.80	1982.66	1872.80	1982.66
Current borrowings (refer note no 11)	2314.34	2201.90	2314.34	2201.90

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

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

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

Fair Value Hierarchy

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets/ liabilities.

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2021

(Amount in Rs. Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2021	March 31, 2021		
		Level 1	Level 2	Level 3
Loans (refer note no 4)	157.48	-	157.48	-
Other current financial Assets (refer note no 6)	568.47	-	568.47	-

Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2020

(Amount in Rs. Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2020	March 31, 2020		
		Level 1	Level 2	Level 3
Loans (refer note no 4)	180.22	-	180.22	-
Other current financial assets (refer note no 6)	563.83	-	563.83	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2021

(Amount in Rs. Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2021			
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 11)	1872.80	-	1872.80	-
Current borrowings (refer note no 11)	2314.34	-	2314.34	-

Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

(Amount in Rs. Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2020	Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 12)	1982.66	-	1982.66	-
Current borrowings (refer note no 12)	2201.90	-	2201.90	-

31. Capital Management

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

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	2927.43	3023.50
Other Financial Liabilities	1259.71	1161.05
Trade Payables	673.87	620.65
Less: Cash and Cash Equivalents	(4.56)	(56.78)
Less: Other Bank Balances	-	(10.08)
Net Debt	**4856.45**	**4738.34**
Equity Share Capital	1964.57	1964.57
Other Equity	(4392.94)	(4150.96)
Total Equity	**(2428.37)**	**(2186.39)**
Total Capital and Net Debt	2428.08	2551.95
Gearing Ratio	**200.01%**	**185.68%**

32. Reclassification

Previous year figures have been regrouped/ reclassified/ recalculated as and where the same were necessary.

For M/S GoelSatish& Co.

Chartered Accountants
Firm Registration No. 010693N

Sd/-
(CA. SatishGoel)
Prop.
M. No. 089414
UDIN: 21089414AAAABF6789

Place: CHANDIGARH
Date: 03.07.2021