

S R INDUSTRIES LIMITED

INFORMATION MEMORANDUM

(Pursuant to Section 29 of the Insolvency & Bankruptcy Code (IBC), 2016 read with the Regulation 36 of the IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016)



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CHAPTER-I
GENERAL INFORMATION

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1. Disclaimer
2. Undertaking to maintain confidentiality
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DISCLAIMER

This information memorandum is formulated by CA Rajender Kumar Jain, Resolution Professional having IBBI registration No IBBI/IPA-001/IP-P00543/2017-2018/10968_. The purpose of this document is to assist the recipient in deciding whether they wish to proceed with a further investigation of the Company, and in putting forward resolution plan for the Company in accordance with the Insolvency and Bankruptcy Code, 2016 (hereinafter as “IBC” or “Code”) and the Regulations made thereunder, as amended from time to time. This Information memorandum has been prepared in accordance with Section 29 of the Code. The information memorandum contains specific information of the corporate debtor including but not limited to the details as prescribed under sub-regulation 2 of Regulation 36 of the Insolvency and Bankruptcy Board of India (Resolution process for Corporate Persons) Regulations, 2016 (hereinafter as “CIRP Regulations”).

This information memorandum and the information contained herein is not intended to form the basis of any investment decision by a prospective resolution applicant. Interested parties should carry out their own investigations and analysis of the Corporate Debtor and of the data referred to in this Information Memorandum and should consult their own advisers before submitting a resolution plan. Neither this document, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

The information contained/disclosed in the information memorandum is as provided by the Corporate Debtor and the creditors of the Corporate Debtor. No representation or warranty, express or implied, is given by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional as to the accuracy, authenticity or completeness of the contents of this Memorandum or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the Memorandum or correct any inaccuracies or omissions in it which may exist or become apparent. This Memorandum should not be considered as a recommendation by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional to invest in the Corporate Debtor and each prospective applicant must make its own independent assessment of the merits or otherwise of investing in the corporate debtor.

This information memorandum contains the forecasts, projected financial information and other predictive statements that represent the Resolution Professionals assumptions in light of information available in public domain, about circumstances and events that have not yet taken place. The said forecasts, projected financial information and other predictive statements are based on market/industry trends/predictions/estimates and other factors. Accordingly, there can be no

assurance or guarantee that the projected results will be attained. The projected results are not definitive and are subject to change without notice. The future projections enclosed in this information memorandum involve risks and uncertainties, based on various factors and variables, which may cause actual performance to differ materially from any projections of future performance. The Resolution Professional at no time guarantees the accuracy/authenticity of the future projections. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in this Information Memorandum or in relation to the bases and assumptions underlying such projections and the recipient must satisfy itself in relation to the reasonableness, achievability and accuracy thereof. The recipient acknowledges that it will be solely responsible for its own assessment of the market projections and future prospects/performance of the corporate debtor.

Memorandum and the information contained therein is confidential and subject to the undertaking executed between the resolution professional and the recipient in pursuance of Section 29 (2) of the Code. The recipient by way of the undertaking, unconditionally acknowledges to undertake to (a) comply with the provisions of the law for the time being in force relating to confidentiality and insider trading (b) protect the intellectual property of the corporate debtor it may have access to and (c) is statutorily obligated not to share the information memorandum or its contents with third parties unless (a) and (b) above have been complied with. The recipient further also acknowledges that the information contained in the information memorandum shall not be used to cause undue gain or undue loss to itself or to any other persons and that the recipient shall comply with the requirements under Section 29(2) of the Code.

No responsibility or liability is accepted for any loss or damage arising whatsoever that recipient may suffer as a result of this Information memorandum or the information contained herein and any and all responsibility and liability is expressly disclaimed by the Resolution Professional and its respective partners, directors, officers, affiliates, employees, advisors or agents.

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By accepting a copy of this information memorandum, the recipient is deemed to have acknowledged and accepted that the terms and conditions of the disclaimer notice and that it formed an integral/material part of this information memorandum. The recipient further is deemed to have unconditionally acknowledged that the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional do not accept any liability for any and all information contained in this information memorandum. The recipient is deemed to have acknowledged that the information contained in the information memorandum shall not be utilised/used for any other purpose other than for the preparation of the Resolution Plan as defined in the Code.

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UNDERTAKING TO MAINTAIN CONFIDENTIALITY OF THE INFORMATION

Dated

Sh. Rajender Kumar Jain,
Resolution Professional – SR Industries Limited,
S.C.O No 818, 1st Floor, Above Yes Bank, N.A.C Manimajra, Chandigarh (UT) -160101

Subject - **UNDERTAKING TO MAINTAIN CONFIDENTIALITY OF THE INFORMATION**

I/we, _____ S/o/w/o _____ Resident of _____,

Hereby give the Undertaking to the effect that I/we shall -
maintain confidentiality of the Information Memorandum and comply with the requirements under Regulation 36(4) and Section 29(2) relating to:

- 1. Comply with the Provisions of law for the time being in force relating to Confidentiality and Insider Trading.
- 2. Protect any Intellectual Property of the Corporate Debtor, which we may have to access to:
- 3. Not Share relevant information with the third party unless Para 1 and 2 above are complied with by taking and undertaking from them
- 4. Not use such information to cause an undue gain or undue loss to our self or any other person.
- 5. Always Comply with the Provisions of Section 29(2) of the IBC, 2016

Signature
Name
Designation
Place
Attached – KYC/ Board Resolution/ Power of Attorney
Phone No
E Mail-

KEY BENEFITS OF INVESTMENT UNDER IBC REGIME

- 1) Transaction for asset under the transparent and time- bound IBC process with an objective to maximize value for the stakeholders.
- 2) IBC aims at giving the Company a fresh start under the new management.
- 3) Creditors of the Company keen to achieve an early resolution given the asset history and nature of transaction.
- 4) Investor to offer resolution amount based on his/her assessment of the assets/ business.
- 5) Investor's rights protected to the extent provided in the IBC ensuring a smooth resolution.
- 6) Opportunity for the investor to seek reliefs against legacy claims and litigations (depending on approvals from the adjudicating authority).
- 7) Opportunity to acquire a company with existing assets and authorisations comes as an offer on a silver platter. Moreover, the approval of the resolution plan obtained under Section 31 of the Code, eases the process of ensuring compliance with all required consents and guarantees a free and clear title to all assets acquired in the process. The resolution applicant only requires to infuse working capital in such companies to have the projects up and running. Once taken over, the company can be nursed back to health with proper governance and sound financial policies supplanted by the resolution applicant. The resolution applicant can even increase the existing capacity of such projects on the basis that the foundation already exists.
- 8) **Reliability of Information Supplied:** During the corporate insolvency resolution process, the resolution professional is in control of the corporate debtor. Therefore, dissemination of information regarding the corporate debtor and its assets and liabilities are done through an impartial arbiter with no vested interest in the corporate debtor. Therefore, the quality of information which is provided is highly reliable. A disclosure made by the resolution professional in such cases may be safely relied upon for due diligence by the resolution applicant, thereby increasing the ease of conducting business and implementation of the resolution plans.

9) **SEBI regulations**

- **Exemption from preferential allotment rules**

Preferential issue of specified securities (equity shares and convertible securities) by a listed company is required to be in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**"). However, the provisions of the said Chapter VII of the ICDR Regulations (except lock-in provisions) are not applicable where the preferential issue of specified securities is made in terms of a resolution plan approved by NCLT under the IBC.

- **Exemption under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**")**

Regulation 10(1) (da) of the Takeover Regulations exempts acquisitions made pursuant to a resolution plan approved under section 31 of the IBC, from the obligation to make an open offer under regulations 3 and 4 of the Takeover Regulations.

Further, the Takeover Regulations have been amended to state that an acquisition of shares by an acquirer, pursuant to a resolution plan approved under section 31 of the IBC would be exempted from the obligation under the proviso to regulation 3(2) of the Takeover Regulations. The said provision prohibits an acquirer from acquiring or entering into any agreement to

acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding above the maximum permissible non-public shareholding i.e. 75%.

- **Exemptions under Delisting Regulations**

The SEBI (Delisting of Equity Shares) Regulations (“**Delisting Regulations**”) have been amended to state that Delisting Regulations shall not apply to any delisting of equity shares of a listed entity that is made pursuant to a resolution plan approved under section 31 of the IBC. However, for the aforesaid exemption to apply, the resolution plan should provide for the following:

- Specific procedure to complete the delisting of such shares; or
- An exit option to the existing public shareholders at a price specified in the resolution plan.

Further, it has been stipulated that the exit to the shareholders should be at a price that is not less than the liquidation value determined in accordance with the provisions of the IBC. The details of delisting of shares along with justification for exit price in respect of the proposed delisting, have to be disclosed to the recognised stock exchanges within 1 day of the resolution plan being approved under section 31 of the IBC.

Under the extant provisions of the Delisting Regulations, an application for listing of equity shares that have been delisted under voluntary delisting (Chapter III of the Delisting Regulations) or under delisting by operation of law (Chapter VII of the Delisting Regulations) cannot be made unless a period of 5 years has passed since delisting and an application for listing of shares that have been delisted under compulsory delisting (Chapter V of the Delisting Regulations) cannot be made unless a period of 10 years has passed since delisting. However, sub-regulation 2A has been introduced in regulation 30 of the Delisting Regulations, stating that an application for listing of delisted equity shares may be made in respect of a company which has undergone CIRP under the IBC.

10) **LODR Regulations**

- **Exemption from obtaining shareholders’ approval for certain matters**

Pursuant to a recent notification dated May 31, 2018 issued by SEBI (“**LODR Amendment**”) several amendments have been introduced to the SEBI (Listing Obligations and Disclosure Requirements), 2015 (“**LODR Regulations**”). Various matters which earlier required approval of the shareholders would no longer require such approval from the shareholders, if the same is in respect of a resolution plan approved by the NCLT under the provisions of the IBC.

- **Material related party transactions**

Pursuant to the LODR Amendment, the requirement of obtaining the approval of shareholders for material related party transactions is not applicable if such material related party transaction is in respect of a resolution plan approved by NCLT, provided that such event is disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved.

- **Disposal of shares in a material subsidiary**

Pursuant to the LODR Amendment, the requirement of obtaining approval of the shareholders by a special resolution for the following matters is not applicable if the same is under a resolution plan that has been approved by the NCLT and such an event is disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved:

- (a) disposal of shares in a material subsidiary resulting in reduction of shareholding to less than 50%;
- (b) ceasing to exercise control over the subsidiary; and
- (c) sale, disposal or leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

- **Reclassification of promoters**

When a new promoter replaces a previous promoter, reclassification requires approval of shareholders. The LODR Amendment provides that the said requirement would not apply if reclassification of the existing promoter is as per a resolution plan approved by the NCLT. Certain other relaxations have been provided in relation to reclassification of existing promoters which are discussed below.

- **Relaxation from the norms for reclassification of existing promoters**

Regulation 31A was introduced in the LODR Regulations to set out the procedure for reclassification of a status of a shareholder. Prior thereto, there were instances where promoters of a listed company sought to reclassify themselves from the category of 'promoter' to 'public'; however, there were no objective criteria for the same. In order to bring about objectivity to the process, SEBI prescribed specific criteria for allowing reclassification of the status of a shareholder.

As per the criteria laid down by SEBI, when a new promoter replaces an existing promoter, apart from approval of shareholders, it has to be ensured that such promoter along with persons acting in concert do not hold more than 10% of the paid-up equity capital of the entity and do not continue to have any special rights. Further, such promoters and their relatives cannot act as a key managerial person for a period of more than 3 years. Also, reclassification cannot be used as a tool for achieving compliance with minimum public shareholding requirements.

In regulation 31A, SEBI has also laid down criteria where reclassification of the status of existing promoters into public is proposed as a result of an entity becoming professionally managed. As per the existing criteria, an entity would be considered as professionally managed if no person or group along with persons acting in concert taken together hold more than 1% paid-up equity capital of the entity. The promoter seeking reclassification along with his promoter group entities and the persons acting in concert cannot have any special right through formal or informal arrangements. Further, the promoters seeking reclassification and their relatives can act as key managerial personnel in the entity only subject to shareholders' approval and for a period not exceeding 3 years from the date of shareholders' approval.

Pursuant to the LODR Amendment, the aforesaid criteria which are contained in sub regulations (5), (6) and clause (b) of sub-regulation (7) of regulation 31A of the LODR Regulations would not apply if re-classification of an existing promoter or promoter group of the listed entity is as per a resolution plan approved by NCLT. To avail of the exemption the existing promoter should not remain in control of the listed company and the underlying rationale for reclassification has to be disclosed to the stock exchanges within 1 day of the resolution plan being approved.

The above relaxation granted pursuant to the LODR Amendment is a significant and welcome change. Many resolution plans for listed companies undergoing a CIRP contained a provision which sought to reclassify an existing promoter into public, however, all the criteria prescribed by SEBI were not being

met. Hence, special relaxation was sought from SEBI in these cases even though the resolution plan may have taken away all special rights of the existing promoters and significantly reduced their shareholding.

- **Relaxation from the norms for restructurings**

Regulations 37 and 94 of the LODR Regulations provide that a listed entity desirous of undertaking a scheme of arrangement or involved in a scheme of arrangement, is required to file the draft scheme, with the stock exchange(s) for its approval, before filing such scheme with any Court or NCLT. Further, on March 10, 2017, SEBI issued a circular no.

CFD/DIL3/CIR/2017/21 with respect to conditions to be complied with by a listed entity undertaking a scheme of arrangement. Some of the conditions included obtaining a valuation report and a fairness opinion. Also, in certain cases approval of a majority of the public shareholders was required. Further, additional conditions were stipulated for a merger involving an unlisted company.

The IBC was enacted with the stated objective of being an Act to consolidate and amend the laws relating to reorganisation and insolvency resolution. The Supreme Court in the case of M/s Innovative Industries Limited Appellant v. ICICI Bank has held that the IBC is an exhaustive code on the subject matter of insolvency in relation to corporate entities and is complete in itself.

On the implementation of the IBC, questions arose with respect to whether the processes under the SEBI regulations and Companies Act, 2013 would have to be separately followed in case of a restructuring being implemented under a resolution plan approved by NCLT including a merger, demerger and capital reduction. It has been argued that considering that IBC is a complete code in itself, the procedural requirements prescribed under the SEBI regulations and Companies Act, 2013 would not be required to be followed separately in case of a restructuring under a resolution plan which has been approved by the NCLT.

The LODR Amendment has now provided clarity on the issue. Schemes of arrangement that are pursuant to a resolution plan that has been approved by the NCLT and that have been disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved, have been exempt from the application of the procedures and requirements laid down for the same in regulations 37 and 94 of the LODR Regulations. The amendment would help in avoiding unnecessary duplication of procedure.

11. Tax issues Under IT Act

- **Carry forward of losses**

Section 79 of the Income-tax Act, 1961 ("**IT Act**") provides that if a change in shareholding has taken place in a previous year then no loss incurred in any year prior to the previous year can be carried forward and set off against the income of the previous year unless there is continuity of ownership i.e. 51% of the voting power should be beneficially held by same persons the previous year and the year or years in which the loss was incurred. Pursuant to the Finance Act, 2018 the said section shall not apply to a company where a change in the shareholding takes place in a previous year pursuant to approved resolution plan under the IBC after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner. This implies that the income tax department would be heard before NCLT approves a resolution plan.

- **Minimum alternative tax**

Under section 115JB of IT Act, in case of a company, if the income tax payable is less than a specified percentage of the book profit of the company, then such book profit is deemed to be the total income of the company. The amount of loss brought forward or unabsorbed depreciation, whichever is less as per books of accounts is reduced from the calculation of such book profits. Companies against whom CIRP had been initiated were facing hardships due to restriction in allowance of both brought forward loss and unabsorbed depreciation for computation of book profit under section 115JB of IT Act.

Pursuant to the Finance Act, 2018 in case of a company, against whom an application for CIRP has been admitted under IBC, the aggregate amount of unabsorbed depreciation and loss brought forward shall be allowed to be reduced from the book profit and the loss shall not include depreciation. However, waiver of loan or interest is not specifically excluded from book profits; only a set-off for brought forward losses and depreciation is excluded.

- **Section 56(2)(x) of the IT Act**

Section 56(2)(x)(c) of the IT Act states the following:

“In particular, and without prejudice to the generality of the provisions of sub-section (1), the following income, shall be chargeable to income-tax under the head “Income from other sources”, namely -

(x) where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017, —

(c) any property, other than immovable property, —

(B) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration.”

Hence, if a resolution plan provides for issuance of shares for a consideration below the fair market value, then the recipient of shares may be taxed with the amount by which the aggregate fair market value of the shares exceeds the consideration being chargeable to income-tax under the head ‘income from other sources. Fair market value has to be determined in accordance with Rules 11U and 11UA of the Income-tax Rules, 1962.

- **Section 50CA of the IT Act**

Section 48 of the IT Act provides the manner in which capital gains tax chargeable under section 45 of the IT Act is computed. Section 45 of the IT Act specifically provides for imposition of capital gains tax in case of transfer of capital assets. The Finance Act of 2017 had inserted a new section 50CA in the IT Act which states that if the consideration received for the transfer of unquoted shares, is less than the fair market value of such shares (determined as per the Income-tax Rules, 1962) then, the value so determined shall, for the purposes of calculation of tax on capital gains under section 48 of the IT Act, be deemed to be the full value of consideration received or accruing as a result of such transfer.

Thus, if a transfer of shares of a corporate debtor undergoing CIRP takes place at a price less than the fair market value of such shares, then there may be a capital gains tax incidence.

- **Section 281 of the IT Act**

Where a resolution plan contemplates an asset transfer or a business transfer, section 281 of the IT Act may become relevant. Section 281 of the IT Act provides that where during the pendency of any proceeding under the IT Act or after the completion thereof, but before the service of notice of demand under rule 2 of the second schedule, an assessee creates a charge on, or parts with the possession (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the assessee as a result of the completion of the said proceeding or otherwise, unless any of the following conditions are satisfied:

- (a) such transfer is for adequate consideration and without notice of the pendency of such proceeding or, as the case may be, without notice of such tax or other sum payable by the assessee; or
- (b) with the previous permission of the Assessing Officer.

Therefore, a no-objection certificate may be required from the income tax authorities. However, in this connection it may be mentioned that a transfer does not become void ab initio. Section 281 only declares that any transfer is void against the claims of the Revenue in respect of the tax finally determined in a proceeding which has been pending at the time of the transfer. Having stated the above, it is pertinent to mention that an argument has been made that if the transfer of assets is pursuant to an order of the NCLT approving a resolution plan, then section 281 of the IT Act should not apply as it may not be an inter vivos transfer. However, this argument is yet to be tested in court.

12. Stamp duty

There may be a significant stamp duty incidence depending on the transactions contemplated in a resolution plan which may include transfer of immovable property, amalgamation, issuance of shares etc.

ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS

Terms	Description
AA	Adjudicating Authority
IB Code	Insolvency and Bankruptcy Code 2016
IP	Insolvency Professional
IM	Information Memorandum
IRP	Interim Resolution Professional
IPA	Insolvency Professional Agency
IU	Information Utility
NCLT	National Company Law Tribunal
RP	Resolution Professional
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

DEFINITIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

“ Company”, “the Company”	SR Industries Private Limited a Private Limited company incorporated under the Companies Act, 1956 and having its registered office at E- 217, INDUSTRIAL AREA, PHASE 8B, MOHALI - 160071, PUNJAB.
Articles/ Articles of Association	The Articles of Association of the Company.
Auditors	The Statutory Auditors of the Company, GOEL SATISH (Membership Number: 089414) GOEL SATISH & CO (Registration Number: 010693N).
Board	Insolvency and Bankruptcy Board of India
Board of Directors	Board of Directors of the Company
Director(s)	The director(s) on the Board of the Company.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
Equity Share(s)	The ordinary equity share(s) of the Company with a Face Value of Rs. 10 per share unless otherwise specified in the context thereof
Registered Office	E- 217, Industrial Area, Phase 8B, MOHALI - 160071, PUNJAB
Charge	An interest or lien created on the property or assets of any person or any of its undertakings or both, as the case may be, as security and includes a mortgage
Claim	(a) a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, secured or unsecured; (b) right to remedy for breach of contract under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, matured, unmatured, disputed, undisputed, secured or unsecured
Corporate person	a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider.
Corporate debtor	a corporate person who owes a debt to any person.
Creditor	any person to whom a debt is owed and includes a financial creditor, an operational creditor, a secured creditor, an unsecured creditor and a decree-holder.
Debt	a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.
Default	Non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor, as the case may be.
Financial information	in relation to a person, means one or more of the following categories of information, namely: — (a) Records of the debt of the person; (b) Records of liabilities when the person is solvent; (c) Records of assets of person over which security interest has been created; (d) Records, if any, of instances of default by the person against any debt; (e) records of the balance sheet and cash-flow statements of the person; and (f) such other information as may be specified.
Financial institution	(a) A scheduled bank; (b) Financial institution as defined in section 45-I of the Reserve Bank of India Act, 1934; (c) Public financial institution as defined in clause (72) of section 2 of the Companies Act, 2013; and

	(d) Such other institution as the Central Government may by notification specify as a financial institution.
Insolvency professional	a person enrolled under section 206 with an insolvency professional agency as its member and registered with the Board as an insolvency professional under section 207.
Property	Money, goods, actionable claims, land and every description of property situated in India or outside India and every description of interest including present or future or vested or contingent interest arising out of, or incidental to, property.
Secured creditor	A creditor in favour of whom security interest is created.
Security interest	Right, title or interest or a claim to property, created in favour of, or provided for a secured creditor by a transaction which secures payment or performance of an obligation and includes mortgage, charge, hypothecation, assignment and encumbrance or any other agreement or arrangement securing payment or performance of any obligation of any person: Provided that security interest shall not include a performance guarantee.
Transaction	An agreement or arrangement in writing for the transfer of assets, or funds, goods or services, from or to the corporate debtor.
Transfer	Sale, purchase, exchange, mortgage, pledge, gift, loan or any other form of transfer of right, title, possession or lien.
Transfer of property	Transfer of any property and includes a transfer of any interest in the property and creation of any charge upon such property.
Workman	Shall have the same meaning as assigned to it in clause (s) of section 2 of the Industrial Disputes Act, 1947.
Adjudicating Authority	For the purposes of this Part, means National Company Law Tribunal constituted under section 408 of the Companies Act, 2013.
Auditor	A chartered accountant certified to practice as such by the Institute of Chartered Accountants of India under section 6 of the Chartered Accountants Act, 1949.
Chapter	A Chapter under this Part of IBC, 2016.
Constitutional document	In relation to a corporate person, includes articles of association, memorandum of association of a company and incorporation document of a Limited Liability Partnership.
Corporate applicant	means— (a) Corporate debtor; or (b) A member or partner of the corporate debtor who is authorised to make an application for the corporate insolvency resolution process under the constitutional document of the corporate debtor; or (c) An individual who is in charge of managing the operations and resources of the corporate debtor; or (d) A person who has the control and supervision over the financial affairs of the corporate debtor.
Dispute	includes a suit or arbitration proceedings relating to— (a) The existence of the amount of debt; (b) The quality of goods or service; or (c) The breach of a representation or warranty.
Financial creditor	any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to
Financial debt	a debt along with interest, if any, which is disbursed against the consideration for the time value of money and includes— (a) Money borrowed against the payment of interest; (b) Any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent; (c) Any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) The amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed; (e) Receivables sold or discounted other than any receivables sold on non-recourse basis;

	<p>(f) Any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;</p> <p>(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be considered;</p> <p>(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;</p> <p>(i) The amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause.</p>
Financial position	in relation to any person, means the financial information of a person as on a certain date;
Information memorandum	a memorandum prepared by resolution professional under sub-section (1) of section 29.
Insolvency commencement date	the date of admission of an application for initiating corporate insolvency resolution process by the Adjudicating Authority under sections 7, 9 or section 10, as the case may be.
Insolvency resolution process costs	<p>means—</p> <p>(a) The amount of any interim finance and the costs incurred in raising such finance;</p> <p>(b) The fees payable to any person acting as a resolution professional;</p> <p>(c) Any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern;</p> <p>(d) Any costs incurred at the expense of the Government to facilitate the insolvency resolution process; and</p> <p>(e) Any other costs as may be specified by the Board.</p>
Insolvency resolution process period	the period of one hundred and eighty days beginning from the insolvency commencement date and ending on one hundred and eightieth day.
Interim finance	any financial debt raised by the resolution professional during the insolvency resolution process period.
Operational creditor	a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred.
Operational debt	a claim in respect of the provision of goods or services including employment or a debt in respect of the repayment of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority.
Personal guarantor	an individual who is the surety in a contract of guarantee to a corporate debtor.
Personnel	the directors, managers, key managerial personnel, designated partners and employees, if any, of the corporate debtor.
Related party	<p>in relation to a corporate debt</p> <p>or, means—</p> <p>(a) A director or partner of the corporate debtor or a relative of a director or partner of the corporate debtor;</p> <p>(b) Key managerial personnel of the corporate debtor or a relative of key managerial personnel of the corporate debtor;</p> <p>(c) A limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner;</p> <p>(d) A private company in which a director, partner or manager of the corporate debtor is a director and holds along with his relatives, more than two per cent. Of its share capital;</p> <p>(e) A public company in which a director, partner or manager of the corporate debtor is a director and holds along with relatives, more than two per cent. Of its paid-up share capital;</p> <p>(f) anybody corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;</p>

	<p>(g) any limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;</p> <p>(h) Any person on whose advice, directions or instructions, a director, partner or manager of the corporate debtor is accustomed to act;</p> <p>(i) A body corporate which is a holding, subsidiary or an associate company of the corporate debtor, or a subsidiary of a holding company to which the corporate debtor is a subsidiary;</p> <p>(j) Any person who controls more than twenty per cent. Of voting rights in the corporate debtor on account of ownership or a voting agreement;</p> <p>(k) Any person in whom the corporate debtor controls more than twenty per cent. Of voting rights on account of ownership or a voting agreement;</p> <p>(l) Any person who can control the composition of the board of directors or corresponding governing body of the corporate debtor;</p> <p>(m) Any person who is associated with the corporate debtor on account of—</p> <p>(i) Participation in policy making processes of the corporate debtor; or</p> <p>(ii) Having more than two directors in common between the corporate debtor and such person; or</p> <p>(iii) Interchange of managerial personnel between the corporate debtor and such person; or</p> <p>(iv) Provision of essential technical information to, or from, the corporate debtor.</p>
Related party	<p>in relation to an individual, means-</p> <p>(a) a person who is a relative of the individual or a relative of the spouse of the individual;</p> <p>(b) a partner of a limited liability partnership, or a limited liability partnership or a partnership firm, in which the individual is a partner;</p> <p>(c) a person who is a trustee of a trust in which the beneficiary of the trust includes the individual, or the terms of the trust confers a power on the trustee which may be exercised for the benefit of the individual;</p> <p>(d) a private company in which the individual is a director and holds along with his relatives, more than two per cent. of its share capital;</p> <p>(e) a public company in which the individual is a director and holds along with relatives, more than two per cent. of its paid-up share capital;</p> <p>(f) a body corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of the individual;</p> <p>(g) a limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, act on the advice, directions or instructions of the individual;</p> <p>(h) a person on whose advice, directions or instructions, the individual is accustomed to act;</p> <p>(i) a company, where the individual or the individual along with its related party, own more than fifty per cent. of the share capital of the company or controls the appointment of the board of directors of the company.</p> <p>Explanation. - For the purposes of this clause, -</p> <p>“relative”, with reference to any person, means anyone who is related to another, in the following manner, namely: -</p> <p>(i) members of a Hindu Undivided Family,</p> <p>(ii) husband,</p> <p>(iii) wife,</p> <p>(iv) father,</p> <p>(v) mother,</p> <p>(vi) son,</p> <p>(vii) daughter,</p> <p>(viii) son's daughter and son,</p>

	(ix) daughter's daughter and son, (x) grandson's daughter and son, (xi) granddaughter's daughter and son, (xii) brother, (xiii) sister, (xiv) brother's son and daughter, (xv) sister's son and daughter, (xvi) father's father and mother, (xvii) mother's father and mother, (xviii) father's brother and sister, (xix) mother's brother and sister; and wherever the relation is that of a son, daughter, sister or brother, their spouses shall also be included;
Resolution applicant	any person who submits a resolution plan to the resolution professional.
Resolution plan	a plan proposed by any person for insolvency resolution of the corporate debtor as a going concern in accordance with Part II.
Resolution professional	for the purposes of this Part, means an insolvency professional appointed to conduct the corporate insolvency resolution process and includes an interim resolution professional.
Voting share	the share of the voting rights of a single financial creditor in the committee of creditors which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor.

CHAPTER-II

OVERVIEW OF THE CORPORATE DEBTOR

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15. Current scenario of corporate insolvency resolution process
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I.Master data of the Corporate Debtor

Source: MCA Public Domain

Company Master Data	
CIN	L29246PB1989PLC009531
Company / LLP Name	S R INDUSTRIES LTD
ROC Code	RoC-Chandigarh
Registration Number	009531
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	365000000
Paid up Capital (Rs)	342735000
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	19/07/1989
Registered Address	E- 217, INDUSTRIAL AREA, PHASE 8B MOHALI Mohali PB 160071 IN
Email Id	amit@srfootwears.com
Whether Listed or not	Listed
Date of last AGM	06/01/2023
Date of Balance Sheet	31/03/2022
Company Status (for efilling)	Active

II.PORTFOLIO OF THE CORPORATE DEBTOR

S R Industries Ltd (SRIL), (here in after called as “Corporate Debtor”) is a manufacturing company engaged in the manufacturing of footwear. The company was incorporated in 1989 and its registered office is located in Mohali, Punjab and manufacturing unit is situated at Village Singan, Tehsil Haroli, Distt. Una-176601, Himachal Pradesh.

SRIL is a dynamic group heading the footwear division having the state-of-the-art integrated manufacturing plant. It has facilities like Rubber Outsole moulding, EVA sheet, IMEVA, stock fitting, Cutting and preparation, Stitching, Assembly line for Shoes equipped with latest machinery from leading machine manufacturers across the globe.

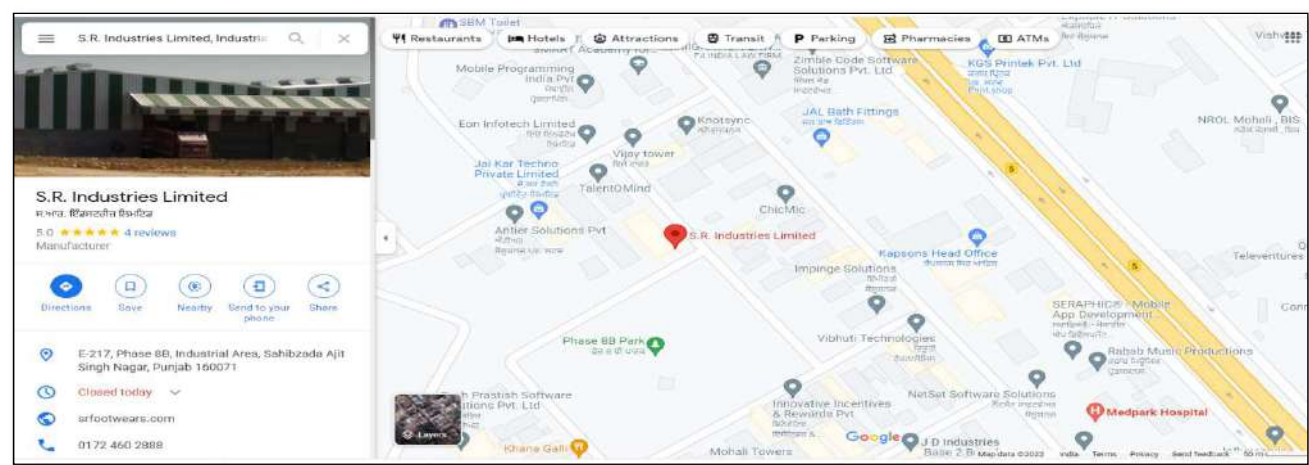
The team at SRIL are experts in their fields and have years of experience in making footwear. From the preparation to final packed product, each department is headed and supervised by professionals from footwear industry.

SRIL is currently producing items for the Sports Footwear segment of the market - mostly EVA Flip Flops, Lifestyle Footwear, Sports Sandals, Sports Shoes - Die-Cut Jogger & Running Shoes with IMEVA midsole.

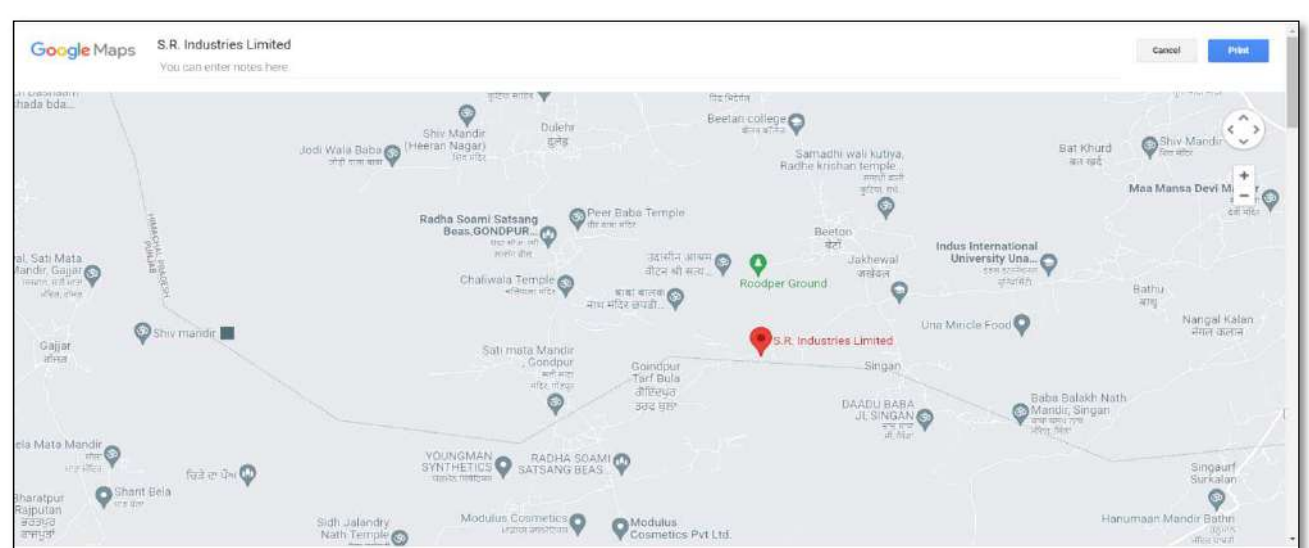
Since commencement of its operations, SRIL has proven its capabilities in terms of quality and delivering performance to customers. SRIL had started the production of low value products (flip flops) but has gradually scaled up to sandals and sports shoes which are of higher value and higher margin products

Registered Office	E- 217, Industrial Area, Phase 8B, Mohali-160071, Punjab
Manufacturing Unit	Village Singan, Tehsil Haroli, Distt. Una -176601, HP
Website	www.srfootwears.com

Google Map Location & Connectivity of Registered Office of Corporate Debtor



Google Map Location & Connectivity of Works of Corporate Debtor



III.DETAILS OF KEY MANAGEMENT & BOARD OF CORPORATE DEBTOR

1. EXISTING BOARD OF DIRECTORS (POWERS SUSPENDED)

DIN	Name & Designation	Address	DOA	PAN Number
00038593	Amit Mahajan (Wholetime Director)	B-492, New Friends Colony, Delhi-110025	1-Jul-2012	AAJPM1254D
02425273	Udit Mayor (Director)	8/11, Wea Karol Bagh, New Delhi, Delhi-110005	25-Jun-2020	AISPM9014A
00818243	Munish Mahajan (Managing Director)	B- 492, New Friends Colony, Delhi-110025	18-Dec-2020	AAEPM6031D

08870494	Anu Kumari (Director)	H.NO.-RZ A- 43/A, Gali No. 11 PulPehladpur, PulPehlad, South Delhi, Delhi, 110044	18-Dec-2020	CDNPK2705C
08906400	Gaurav Jain (Director)	G-7, SEC-56 Noida, Uttar Pradesh, 201301	18-Dec-2020	AATPJ5282E
00818293	Sangeeta Mahajan Director	B- 492, New Friends Colony, Delhi-110025	21-May-2021	AAJPM1255C

2. KEY MANAGERIAL PERSONAL

PAN	Name & Designation	Address	DOA
AAJPM1254D	Amit Mahajan CFO(KMP)	B- 492, New Friends Colony, Delhi-110025	17-May-2014
BHSP4014K	Priyanka (Company Secretary)	B-2 201, Palm Court, VIP Road, Zirakpur, SAS Nagar (Mohali)-140603	21-Jan-2023

3. EX-DIRECTORS/KMP

DIN	Name & Designation	Date of Appointment	Date of cessation
01476215	Aashish S Dua (Additional Director)	14-Aug-2020	30-Sep-2020
-	Samandeep Kaur Arya (Company Secretary)	8-Aug-2017	4-Jun-2020
-	Kulwinder Kaur (Company Secretary)	1-Jul-2016	31-Jul-2017
-	Himani Anand (Company Secretary)	1-Dec-2015	15-Jun-2016
-	Chetna Anand Company secretary	17-May-2014	8-Sep-2015
-	Vikas Goyal (Company secretary)	2-Jun-2008	1-Sep-2012
02507328	Dharmendra Kumar Bhasin (Company secretary)	-	15-Jan-2008
00038827	Amit Mahajan (Director)	25-Jun-2020	14-Aug-2020
06978146	Seema Mahajan (Director)	30-Sep-2015	14-Aug-2020
00354242	Ramesh Kumar Bhandari (Director)	1-Oct-2005	23-Dec-2019
01711466	Madan Mohan Puri (Director)	29-Sep-2008	12-Jun-2019
00058436	Tribawan Nath Tikoo (Director)	1-Oct-2011	7-Jan-2014
03111754	Shashi Kant (Director)	30-Sep-2010	1-Aug-2012
00112460	Joginder singh Juneja (Director)	30-Sep-2010	14-Feb-2011
00039969	Harinder Kumar Aggarwal (Director)	1-Oct-2005	29-Jan-2009

00055654	Hem Chand Sharma (Director)	27-Jan-2006	30-Jul-2007
00038661	Ramesh Chander Mahajan (Managing Director)	19-Jul-1989	14-Aug-2020
00037625	Yodh raj kapur (Whole-time Director)	1-Sep-2010	23-May-2013
ALCPA1877C	Neha Agarwal (Company Secretary)	15-Sep-2020	09-Aug-2022

IV. OTHER DIRECTORSHIPS OF EXISTING DIRECTORS (POWERS SUSPENDED)

1. AMIT MAHAJAN(DIN-00038593)

S.No.	CIN	Company Name	Begin Date
1.	U74899DL1987PTC029952	PRIDE PROPERTIES PRIVATE LTD	9-Aug-1996
2.	U31909DL1996PTC082998	SUSANG MAC PRIVATE LIMITED	28-Sep-2005
3.	U19200CH2009PTC031481	S R FLIP FLOP PRIVATE LIMITED	9-Jan-2009

2. MUNISH MAHAJAN (DIN: 00818243)

S.No	CIN	Company Name	Begin Date
1.	U74900DL2012PTC243744	AALA TECHNICAL SERVICES PRIVATE LIMITED	17-Oct-2012
2.	U74899DL1987PTC029952	PRIDE PROPERTIES PRIVATE LTD	7-May-1996
3.	U31909DL1996PTC082998	SUSANG MAC PRIVATE LIMITED	24-Jan-1997

3. UDIT MAYOR (DIN : 02425273)

S.No	CIN	Company Name	Begin Date
1.	U18101HR1997PTC034478	T S I INDUSTRIES PRIVATE LIMITED	24-Jul-2000

4. SANGEETA MAHAJAN (DIN : 00818293)

S.No	CIN	Company Name	Begin Date
1.	U74899DL1987PTC029952	PRIDE PROPERTIES PRIVATE LTD	7-May-1996

V. INDEX OF CHARGE REGISTERED WITH REGISTRAR OF COMPANIES

SRN	Charge Id	Charge Holder Name & Address	Date of Creation	Date of Modification	Date of Satisfactio n	Amount
G04396727	100028950	State Bank of Patiala Commercial Branch, Sector 8 , Chandigarh-160017	26-02-2016	-	-	1115000
C52177532	10566445	State Bank of Patiala Commercial Branch, Sector 8 , Chandigarh-160017	25-03-2015	-	-	4000000
B25624057	10318474	UCO Bank S.C.O. 55 -57, Bank square, Sector 17 B, Chandigarh- 160017	27-09-2011	-	-	18800000
C73289126	10194183	State Bank of Patiala Commercial Branch, Sector 8 , Chandigarh-160017	18-11-2009	29-08-2015	-	366100000
B44218659	10179613	UCO Bank S.C.O. 55 -57, Bank square, Sector 17 B, Chandigarh- 160017	31-08-2009	31-05-2012	-	4000000
B44218352	10179609	UCO Bank S.C.O. 55 -57, Bank square, Sector 17 B, Chandigarh- 160017	31-08-2009	31-05-2012	-	107258340
B06341119	10179608	UCO Bank S.C.O. 55 -57, Bank square, Sector 17 B, Chandigarh- 160017	31-08-2009	28-01-2011	-	24000000
B06340616	10179612	UCO Bank S.C.O. 55 -57, Bank square, Sector 17 B, Chandigarh- 160017	31-08-2009	28-01-2011	-	22000000
B06445811	10179615	UCO Bank S.C.O. 55 -57, Bank square, Sector 17 B, Chandigarh- 160017	31-08-2009	28-01-2011	-	1800000
B40480261	10172883	State Bank of Patiala Commercial Branch, Sector 8 , Chandigarh-160009	06-07-2009	31-05-2012	-	76900000
G74122946	10289381	General Manager District Industries Centre Una, HP-174303	04-05-2011	-	22-12-2017	3000000

G39477674	10528677	State Bank of Patiala Commercial Branch, SCO 103-107, Sector 8 Chandigarh-160009	09-09-2014	-	23-03-2017	10000000
G39478680	10236484	State Bank of Patiala Commercial Branch, Sector 8 Chandigarh-160009	15-07-2010	31-05-2012	23-03-2017	35000000
G39479043	80021167	State Bank of Patiala Commercial Branch, Sector 8 Chandigarh-160009	22-05-1997	31-05-2012	23-03-2017	182000000
G39479431	80021163	State Bank of Patiala Commercial Branch ,SCO 103-107, Sector 8, Chandigarh-160008	18-05-2006	-	23-03-2017	7500000
G39480298	10228392	State Bank of Patiala Commercial Branch, Sector 8 Chandigarh-160009	19-05-2010	31-05-2012	23-03-2017	94500000
G39827654	80021165	State Bank of Patiala Commercial Branch, Sector 8, Chandigarh-160009	22-05-1997	31-05-2012	23-03-2017	179100000
G39478128	10296616	State Bank of Patiala Commercial Branch, Sector 8 Chandigarh-160009	28-06-2011	31-05-2012	23-03-2017	28800000
C49152929	10197714	Religare Finvest Limited 19, Nehru Place, New Delhi- 110019	30-01-2010	-	10-03-2015	12500000

VI.FACILITIES & CAPABILITIES

Company is operating from its manufacturing unit located at Village Singan , Tehsil Haroli, Distt. Una -176601, HP . The major manufacturing facilities are summarized as below:

- Fully integrated factory having EVA plant, IMEVA moulding, Rubber Moulding, Stock Fit, Upper making and Assembly facilities under a single roof.
- Fully Integrated Plant including development, Cutting, Stitching, Sole Making and Assembly under a single roof.
- Machinery imported from leading manufacturers in Taiwan, Korea, Italy and Germany in 2009-2010
- Rubber Plant including Rubber Outsole Moulding, Compression EVA, IMEVA imported from Taiwan

CAPABILITY OF MANUFACTURING UNIT

- 6 station Dah-Tyan EVA press for EVA sheet production
- 24 station Rubber press (steam based) and 8 electric Rubber press
- 1 x double side Sandal Assembly Conveyor with IR heating
- 1 X double side Shoe Assembly Conveyor with IR heating
- 1 X double side Stock fit conveyor with IR heating
- Swing Arm and Beam Cutting presses
- TPU Welding in-house

MANUFACTURING CAPACITY OF THE UNIT

Article	Monthly production Capacity
EVA Flip Flops	150000
Rubber Outsoles	60000
IMEVA Midsoles / Outsoles	50000
Rubber Sole Flip Flops	40000
Sandals	30000
Shoes	40000
Total	370000

DETAILS OF PLANT & MACHINERY

S.N	Name of Machinery	Supplier's Name	Qty	Year of Purchase	Import/ Indigenous
1	D-017/DTEA-32B Automatic Hydraulic HotPress	Yu Fong Technologies Co. Ltd.	1	2009	Imported
2	K-005/KS-906UE2 Injection Moulding Machine	Yu Fong Technologies Co. Ltd.	1	2009	Imported
3	U-001/LC-60 Twin Faces Grind Roughen M/c	Yu Fong Technologies Co. Ltd.	1	2009	Imported
4	Y-039/ML2-3-1848 Mixing Mill ML2-3	Yu Fong Technologies Co. Ltd.	1	2009	Imported
5	Y-039/B Conveyor-1 Bucket Conveyor	Yu Fong Technologies Co. Ltd.	2	2009	Imported
6	Y-039/YK-55HD Dispersion Kneader	Yu Fong Technologies Co. Ltd.	1	2009	Imported
7	D-017/DTEK-280 Rubber Out Sole 6 Units	Yu Fong Technologies Co. Ltd.	2	2009	Imported
8	Y-032/YU-8218 Hydraulic Forming Pressing Machine	Yu Fong Technologies Co. Ltd.	1	2009	Imported
9	Y-032/YU-703 Electric Toast Oven	Yu Fong Technologies Co. Ltd.	1	2009	Imported
10	Cooling Unit (2 Tons) Model YU-2RT	Yu Fong Technologies Co. Ltd.	1	2009	Imported
11	U-001/LC-40A Edge Grinding Machine	Yu Fong Technologies Co. Ltd.	7	2009	Imported
12	U-001/LC-151 Auto Sole Slope Cutting Machine	Yu Fong Technologies Co. Ltd.	2	2009	Imported
13	U-001/LC-15 Sole Slope Cutting M/c	Yu Fong Technologies Co. Ltd.	2	2009	Imported
14	D-006/TY-202 Edge Trimming Machine	Yu Fong Technologies Co. Ltd.	6	2009	Imported
15	U-001/LC-19 Glue Cleaning Machine	Yu Fong Technologies Co. Ltd.	4	2009	Imported
16	Tunnel Oven for Model Wedge Model No. BCO - 15 - 38	Yu Fong Technologies Co. Ltd.	1	2009	Imported
17	TS-801C-1 Refrigerating Type Rubber Cooling Machine	Yu Fong Technologies Co. Ltd.	2	2009	Imported
18	CF-526BT Hydraulic Plane Cutting Press	Yu Fong Technologies Co. Ltd.	2	2009	Imported
19	Hydraulic Travelling Head Cutting Machine Model No THNC 2560	Yu Fong Technologies Co. Ltd.	2	2009	Imported
20	Hydraulic Plane Cutting Press Model No CF-526BT	Yu Fong Technologies Co. Ltd.	4	2009	Imported
21	Hi-Frequency Embrossing Machine Model No KC-306T	Yu Fong Technologies Co. Ltd.	2	2009	Imported
22	Hydraulic Shoe-Repairing Sewing M/c Model No. CS-6900	Yu Fong Technologies Co. Ltd.	2	2009	Imported
23	Trimming Machine for Inner Lining Model No. TY-201	Yu Fong Technologies Co. Ltd.	6	2009	Imported

24	Finishing Blower Model No. LG-2202A	Yu Fong Technologies Co. Ltd.	8	2009	Imported
25	Insole Covering Machine Model No. TY-839	Yu Fong Technologies Co. Ltd.	4	2009	Imported
26	Edge Folding Machine Model No. TY-737	Yu Fong Technologies Co. Ltd.	2	2009	Imported
27	Post Bed Single Needle Machine Model No. TC-881	Yu Fong Technologies Co. Ltd.	42	2009	Imported
28	Post Bed Double Needle Machine Model No. TC-882	Yu Fong Technologies Co. Ltd.	20	2009	Imported
29	Lockstitch Zigzag Sewing Machine Model No. TC-652	Yu Fong Technologies Co. Ltd.	8	2009	Imported
30	Twin Needle Flat Lock Stitch Series Model No. TC2-B842-5	Yu Fong Technologies Co. Ltd.	6	2009	Imported
31	Single Needle Lockstitch with semiautomatic lubrication TTC-3750	Yu Fong Technologies Co. Ltd.	16	2009	Imported
32	Gathering Special use sewing Machine Model No. DY-3811L	Yu Fong Technologies Co. Ltd.	1	2009	Imported
33	Binding Sewing Machine Model No. TC-335B	Yu Fong Technologies Co. Ltd.	4	2009	Imported
34	Water Cooling Auto Slicing M/c MC-904	Yu Fong Technologies Co. Ltd.	1	2009	Imported
35	LC-168 Surface Grinding Roughen M/C	Yu Fong Technologies Co. Ltd.	1	2009	Imported
36	LC-60 Twin Faces Grind Roughen M/C	Yu Fong Technologies Co. Ltd.	3	2009	Imported
37	YC-162 Cementing Machine (Power Glue)	Yu Fong Technologies Co. Ltd.	2	2009	Imported
38	TC-700 Multi-Functional Digital Thermometer	Yu Fong Technologies Co. Ltd.	2	2009	Imported
39	NR-34A Thermocouple Probe	Yu Fong Technologies Co. Ltd.	1	2009	Imported
40	NR-33 Thermocouple Probe	Yu Fong Technologies Co. Ltd.	1	2009	Imported
41	Heam-9 conveyor System (complete Set)	Kukdong Machinery Co. Ltd.	1	2009	Imported
42	TF4 Heat Setting Plant	Kukdong Machinery Co. Ltd.	1	2009	Imported
43	Heam-9 conveyor system (complete Set)	Kukdong Machinery Co. Ltd.	1	2009	Imported
44	KD-S6 Twin Sole Attaching Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
45	TF4 Heat Setting Plant	Kukdong Machinery Co. Ltd.	1	2009	Imported
46	Heam-7 conveyor System	Kukdong Machinery Co. Ltd.	1	2009	Imported
47	Heam-9 conveyor system (complete Set)	Kukdong Machinery Co. Ltd.	1	2009	Imported
48	TF4 Heat Setting Plant	Kukdong Machinery Co. Ltd.	1	2009	Imported
49	KD-95A Pore Part Lasting Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
50	KD-H9 Heel Seat Cement Lasting Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
51	KD-G3C Roughing Machinery for Upper/Insole/Soles	Kukdong Machinery Co. Ltd.	2	2009	Imported
52	KD-HG1C Roughing Machinery for Upper/Insole/Soles	Kukdong Machinery Co. Ltd.	2	2009	Imported
53	KD-AP5 Upper Edge Inking Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
54	KD-S6 Twin Sole Attaching Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
55	KD-LP1 Pulling Over Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
56	KD-AP13 Sole Levelling Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
57	KD-HAB Automatic Drying Machine	Kukdong Machinery Co. Ltd.	4	2009	Imported
58	TJ-4 Heat Setting Plant	Kukdong Machinery Co. Ltd.	1	2009	Imported
59	KD-OP3 Twin Sole Attaching Machine	Kukdong Machinery Co. Ltd.	1	2009	Imported
60	KD—UV1 Heat Setting Plant	Kukdong Machinery Co. Ltd.	1	2009	Imported
61	Heam-UV8 Conveyor System 5.5 mtr	Kukdong Machinery Co. Ltd.	1	2009	Imported
62	KD-BCM2S Counter Moulding Machine	Kukdong Machinery Co. Ltd.	1	2009	Imported
63	HEAM-9SF Conveyor System -22 meter Length	Kukdong Machinery Co. Ltd.	1	2009	Imported
64	KDS-6 Twin Sole Attaching Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
65	TF-4 Heat Setting Plant	Kukdong Machinery Co. Ltd.	1	2009	Imported
66	BAM-20 Twin Sole Attaching Machine	Kukdong Machinery Co. Ltd.	1	2009	Imported
67	KDP-3 Fixed Head/Travelling Head Clicking Cutting Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
68	SDL-2 Vulcanzing Press	Kukdong Machinery Co. Ltd.	8	2009	Imported
69	KD-DC-1 Dust Removing Machine	Kukdong Machinery Co. Ltd.	1	2009	Imported
70	1-Colour Eva Midsole Mould	Excel Progress Int'l Ltd	2	2009	Imported
71	1-Colour Rubber Sole Mould	Excel Progress Int'l Ltd	1	2009	Imported
72	Cementing machine Complete with Standard Accessories MOD WE43	Olympic Shoe Machinery	3	2009	Imported

73	Green Hot Spray Machine DS-HOT-W	DAE SUNG PRECISION AND IND.	3	2009	Imported
74	HOT MELT UNIVERSAL WORKER DS WK 1	DAE SUNG PRECISION AND IND.	2	2009	Imported
75	HOT MELT UNIVERSAL WORKER DS WK 2	DAE SUNG PRECISION AND IND.	1	2009	Imported
76	BALL HOT MELT SUPPLIER DS-HUT 500	DAE SUNG PRECISION AND IND.	3	2009	Imported
77	k141-23ev-ikc1 Komplett stitching machine complete with stand table & motor	Strobel	2	2009	Imported
78	Post Bed Single Needle Machine Model No. TC-881	Yu Fong Technologies Co. Ltd.	46	2009	Imported
79	Post Bed Double Needle Machine Model No. TC-882	Yu Fong Technologies Co. Ltd.	20	2009	Imported
80	Zig Zag Sewing Machine Model No. TC-652	Yu Fong Technologies Co. Ltd.	10	2009	Imported
81	Flat Bed Single Needle Machine Model No. TC-3750	Yu Fong Technologies Co. Ltd.	8	2009	Imported
82	Gathering Machine Model No. DY-3811L	Yu Fong Technologies Co. Ltd.	2	2009	Imported
83	Flat Bed Double Needle Machine Model No. TC-B842-5	Yu Fong Technologies Co. Ltd.	6	2009	Imported
84	Trimming Machine for Inner Lining Model No. TY-201	Yu Fong Technologies Co. Ltd.	4	2009	Imported
85	Binding Sewing Machine Model No. TC-335B	Yu Fong Technologies Co. Ltd.	4	2009	Imported
86	Finishing Blower Model No. LG-2202A	Yu Fong Technologies Co. Ltd.	6	2009	Imported
87	Shoe Repairing Machine Model No CS-6900	Yu Fong Technologies Co. Ltd.	2	2009	Imported
88	Hydraulic Plane Cutting Press Model No CF-526BT	Yu Fong Technologies Co. Ltd.	2	2009	Imported
89	Hydraulic Travelling Head Cutting Machine Model No THNC 2560	Yu Fong Technologies Co. Ltd.	1	2009	Imported
90	Upper Embossing Machine Model No. KC-612T	Yu Fong Technologies Co. Ltd.	1	2009	Imported
91	Hydraulic Insole Moulding Machine Model No YF-7067	Yu Fong Technologies Co. Ltd.	1	2009	Imported
92	k141-23ev-ikc1 Komplett stitching machine 1013686-9	Strobel	1	2009	Imported
93	SW-LR(CAP:5KG) Weighing Scale	CAS India Pvt. Ltd	9	2009	Indigenous
94	PK-2052P(5KG) Weighing Scale	CAS India Pvt. Ltd	1	2009	Indigenous
95	CBL ME-3200gmWeighing Scale	CAS India Pvt. Ltd	5	2009	Indigenous
96	DZ SERIES(SS/PP-600X600)CAP 100 KGCL-111 Weighing Scale	Cas Weighing India P Ltd	4	2009	Indigenous
97	DZ SERIES(SS/PP-500X500), CAP:50KGS CL-III Weighing Scale	Cas Weighing India P Ltd	6	2009	Indigenous
98	Upper Seam Beating M/c DS309	Harman Sales Pvt. Ltd.	2	2009	Indigenous
99	Skiving M/c. XYP-2XBR	Harman Sales Pvt. Ltd.	1	2009	Indigenous
100	Boiler & Accessories - Nozzel	Karan Boiler	80	2009	Indigenous
101	Boiler & Accessories - Accessories for agro waste fired boiler fro structure	Karan Boiler	1	2009	Indigenous
102	Boiler & Accessories - Shell Waterwell and structural columns for agro waste fired boiler	Karan Boiler	1	2009	Indigenous
103	Boiler & Accessories - Chimney, Columns, Ducting, Cyclones and secondy for boiler	Karan Boiler	1	2009	Indigenous
104	Boiler & Accessories - Fire Bricks for Boiler	Karan Boiler	85	2009	Indigenous
105	Boiler & Accessories - Fire Bricks for Boiler	Karan Boiler	85	2009	Indigenous
106	Boiler & Accessories - Sill Cast for Boiler	Karan Boiler	750	2009	Indigenous
107	Boiler & Accessories - Fire clay for Boiler	Karan Boiler	80	2009	Indigenous
108	Boiler & Accessories - Fire Create for Boiler	Karan Boiler	825	2009	Indigenous
109	Boiler & Accessories - Insulation Bricks for boiler	Karan Boiler	16	2009	Indigenous
110	Boiler & Accessories - Pipes for boiler	Karan Boiler	0.22 9	2009	Indigenous
111	Boiler & Accessories - Pipes for boiler	Karan Boiler	0.05 1	2009	Indigenous

112	Boiler & Accessories - 2 Feed Check Value, 2 Angle NRV, 2"Ball Valve, Nipple accessories	Karan Boilers	1	2009	Indigenous
113	Boiler & Accessories - 2"Valve, 1" Valve, mobray, cock set sprocket, coupling, gauge glass &accessories	Karan Boilers	1	2009	Indigenous
114	Packing Belt Conveyor	Rajindra Engineering Works	1	2009	Indigenous
115	Side Sole Sheet Cutting Machine	Rajindra Engineering Works	1	2009	Indigenous
116	Sole roughing Grinding M/c	Rajindra Engineering Works	4	2009	Indigenous
117	Stock Reed Road Conveyor Length 60 X 30 with electric panel	Rajindra Engineering Works	18	2009	Indigenous
118	Strap Fitting Machines	Rajindra Engineering Works	5	2009	Indigenous
119	Drilling Machine with Motor	Rajindra Engineering Works	3	2009	Indigenous
120	Adhesive Mixing Machine with Motor	Rajindra Engineering Works	2	2009	Indigenous
121	KSB make Centrifugal Pump	Shiva Engineers	2	2009	Indigenous
122	KSB make Centrifugal Pump	Shiva Engineers	3	2009	Indigenous
123	600 KVA Silent DG set	Sudhir Gensets Ltd	1	2009	Indigenous
124	1600 KVA 11/0.433KV TFR	SuperLink Trades India Pvt. Ltd	1	2009	Indigenous
125	11 KV VCB PANEL	superLink Trades India Pvt. Ltd	1	2009	Indigenous
126	Stitching Line 60" (Length) Complete with Table, Stool table, light and fitting, fags Etc	Link Telecom Services	1	2009	Indigenous
127	Hydraulic Sole Attaching Machine	Troubleshooters	1	2009	Indigenous
128	Hydraulic Press with Control Panel Two Beds for Flat Component Pressing	Graphic Sales	1	2009	Indigenous
129	Hammering Machine- Pneumatic	Graphic Sales	1	2009	Indigenous
130	Packing Conveyor- 24ft Long 30" working	Graphic Sales	1	2009	Indigenous
131	Verticle Grinder With Dust Collector	Graphic Sales	2	2009	Indigenous
132	Outsole Grinder With Dust Collector	Graphic Sales	1	2009	Indigenous
133	Cooling Machine Complete Atom Mod VS-926 Tons 20	Harman Sales Pvt. Ltd.	2	2009	Indigenous
134	Rotery Fusing M/c	Harman Sales Pvt. Ltd.	3	2009	Indigenous
135	Numbering Stamplng M/c	Harman Sales Pvt. Ltd.	2	2009	Indigenous
136	Upper Seam Beating M/c DS309	Harman Sales Pvt. Ltd.	1	2009	Indigenous
137	Skiving M/c Complete for Toe Puff MOD. XYP-2XBR	Harman Sales Pvt. Ltd.	1	2009	Indigenous
138	Toe Lasting Machine KD-87A	Troubleshooters	1	2009	Indigenous
139	Heel Lasting Machine KDH-9	Troubleshooters	1	2009	Indigenous
140	Industrial Sewing Machine Flat Bed	Satnam Sales Corporation	1	2009	Indigenous
141	Industrial Sewing Machine ZigZag KS-20463	Satnam Sales Corporation	1	2009	Indigenous
142	Industrial Sewing Machine Cylinder Bed KS3350	Satnam Sales Corporation	1	2009	Indigenous
143	P.P . CLICKING BOARDS	Poly pads Industries	8	2009	Indigenous/n ot in use

Note :MISC ITEMS not covered like plastic crates, working tables, stools, fixtures, pallets and some lab equipment

DETAIL OF MACHINERY (NOT IN WORKING CONDITION AS INFORMED BY MANAGEMENT)

S.No	Name of Machinery	Supplier's Name	Qty	Year of Purchase	Imported/ Indigenous
1	Mixing Mill Y-039/MB2-3	Yu Fong Technologies Co. Ltd.	1	2009	Imported
2	Y-039/ML2-3 Mixing Mill	Yu Fong Technologies Co. Ltd.	2	2009	Imported
3	Y-039/YK-75HD Dispersion Kneader	Yu Fong Technologies Co. Ltd.	1	2009	Imported
4	U-001/LC-161 High Speed Splitting Machine	Yu Fong Technologies Co. Ltd.	1	2009	Imported

5	U-001/LC-30 Rubber Sole Grind Roughen M/c	Yu Fong Technologies Co. Ltd.	1	2009	Imported
6	U-001/LC-66 Hydraulic Sole Pressing Machine	Yu Fong Technologies Co. Ltd.	2	2009	Imported
7	Hydraulic insole Moulding Machine Model No YF-7067Hydraulic insole Moulding Machine Model No YF-7067	Yu Fong Technologies Co. Ltd.	1	2009	Imported
8	Soft Roller Cementing M/C (Power Glue)	Yu Fong Technologies Co. Ltd.	2	2009	Imported
9	GT-M2000-F Foam Force Rheometer	Yu Fong Technologies Co. Ltd.	1	2009	Imported
10	GT-7080-S2 Computer Mooney Viscometer (MV)	Yu Fong Technologies Co. Ltd.	1	2009	Imported
11	KD-AP9 Sole Levelling Machine	Kukdong Machinery Co. Ltd.	2	2009	Imported
12	Mould for Footwear Bottom plate	Excel Progress Int'l Ltd	3	2009	Imported
13	Mould for Footwear Top plate	Excel Progress Int'l Ltd	3	2009	Imported
14	Mould for Footwear EVA sheet mould- Bottom plate : 14 MM	Excel Progress Int'l Ltd	9	2009	Imported
15	Mould for Footwear EVA sheet mould- Bottom plate : 8 MM	Excel Progress Int'l Ltd	6	2009	Imported
16	Mould for Footwear EVA sheet mould- Bottom plate : 6 MM	Excel Progress Int'l Ltd	6	2009	Imported
17	Mould for Footwear EVA sheet mould- Bottom plate : 4 MM	Excel Progress Int'l Ltd	3	2009	Imported
18	Mould for Footwear EVA sheet mould- Bottom plate : 3 MM	Excel Progress Int'l Ltd	3	2009	Imported
19	Mould for Footwear EVA sheet mould-Top plate : 8 MM	Excel Progress Int'l Ltd	3	2009	Imported
20	Mould for Footwear Art Puma 301	Excel Progress Int'l Ltd	6	2009	Imported
21	Mould For Footwear Puma EVA Sheet Mould Flipper	Excel Progress Int'l Ltd	6	2009	Imported
22	Puma EVA Sheet Mould	Excel Progress Int'l Ltd	6	2009	Imported
23	Mould for Footwear Gents rubber strap mould with puma Logo	Excel Progress Int'l Ltd	2	2009	Imported
24	Item No. CS-020 Rustmd-DSH003 Mould for footwear	Excel Progress Int'l Ltd	3	2009	Imported
25	GT-7012-D Din Abrasion Terster with standard Accessories	Gotech Testing Machines Inc.	1	2009	Imported
26	Item No. Asker-C Hardness Gauge	Gotech Testing Machines Inc.	2	2009	Imported
27	Item No. Shore-A Hardness Gauge	Gotech Testing Machines Inc.	2	2009	Imported
28	RB Molds (Trek)	Ciel Bleu Limited	15	2009	Imported
29	ImevaMolds (Trek)	Ciel Bleu Limited	5	2009	Imported
30	U-001/LC-60 Twin Faces Grind Roughen M/c	Yu Fong Technologies Co. Ltd.	1	2009	Imported
31	Forming Belt Conveyor Heam CV1	Troubleshooters	1	2009	Indigenous
32	Packing Belt Conveyor Heam CV2	Troubleshooters	2	2009	Indigenous
33	Stitching Conveyor Accessories	Link Telecom Services	1	2009	Indigenous
34	Stitching Conveyor Accessories	Link Telecom Services	1	2009	Indigenous
3	Pipe Conveyor -48ft Working Width 30"	Graphic Sales	1	2009	Indigenous
5	Cooling Machine Complete Atom Mod VS-926 Tons 25	Harman Sales Pvt. Ltd.	6	2009	Indigenous

36	Industrial Sewing Machine Post Bet Top & Bottom 9910	Satnam Sales Corporation	2	2009	Indigenous
37	Industrial Sewing Machine Post Bet Top & Bottom 9920	Satnam Sales Corporation	1	2009	Indigenous

SOURCES OF RAW MATERIAL

- Company has strong relationship with material vendors by virtue of long-standing business dealings with nominated suppliers.
- Upper materials include PU fabrics which are mostly sourced locally from manufacturer (Jasch Industries Ltd) and meshes from NCR based vendors (Jasmine Knitting Ltd).
- Adhesives are from internationally renowned suppliers such as Henkel and Nan Pao.
- Rubber plant required EVA (from Reliance as well as imported), natural rubber, Synthetic Rubbers and chemicals which are purchased from traders in NCR and Jalandhar.

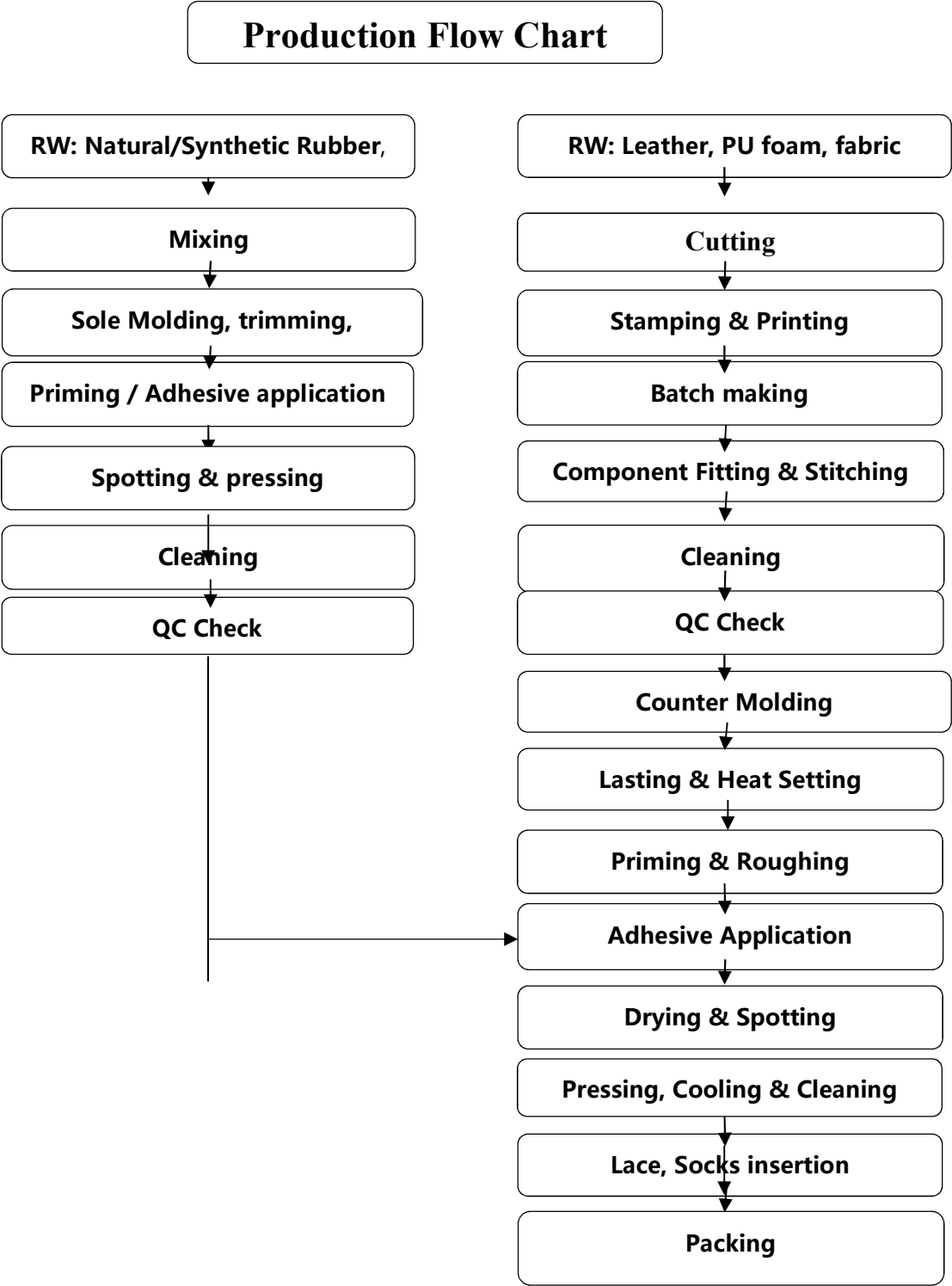
VII.MANPOWER STRENGTH

A total workforce of approximately 250 workmen was employed as on CIRP date i.e 21.12.2021. In-house design and development team is capable of developing new products. Development capability includes prototype development, working with vendors for developing raw materials, doing sampling, grading and final sealer approval. It has been developing approximately 150 styles per season. Apart from the design team, the workmen consisted of production , quality , stores , maintenance , etc.

The manpower detail is as follows :

S.No	Department	Staff	On roll Workers	Contractual Workers	Total
1.	Stitching	1	31	76	108
2.	Finishing / Assembly	3	32	5	40
3.	Stock Fit	-	2	26	28
4.	PRINTING	-	9	-	9
5.	CUTTING	-	9	-	9
6.	SKIVING/FUSING	-	5	-	5
7.	IM EVA	-	7	-	7
8.	Moulding Section	-	3	5	8
9.	Store	1	-	3	4
10.	Maint.& Electrical	3	-	4	7
11.	Designing & Development	3	-	3	6
12.	PURCHASE	1	-	-	1
13.	STORE FG	-	-	3	3
14.	STORE BUFFER	1	1	1	3
15.	H. R.	1	-	-	1
16.	ACCOUNTS/ C. S.	2	-	-	2
17.	PPIC	1	-	-	1
18.	Lab and R&D	1	1	-	2
19.	Mixing	-	1	4	5
20.	SECURITY	-	2	4	6
21.	GARDENER/PEON	-	1	1	2
22.	HOUSE KEEPING	-	2	-	2
Total		18	106	135	259

PRODUCTION FLOW CHART



SOME PHOTOGRAPHS OF THE FACILITY
BUFFER AREA



RUBBER PLANT



CUTTING AREA



SKIVING AREA



STITCHING AREA



ASSEMBLY AREA



PACKING AREA



FINISHED GOODS WAREHOUSE



VIII.PRODUCT RANGE

Product Range includes sports footwear, lifestyle footwear, Casual, Flip Flops, Sandals Sports Shoes die-cut jogger & Lifestyle Shoes



Flip Flops



Lifestyle Footwear



Sports Sandals

Die-cut jogger



Running shoes with IMEVA midsole

IX. Customers

Currently working with large Brands including Bata India, Fila (Cravatex), Relaxo, Sole Threads, Future Group (Umbro / Champion), United Colors of Benetton, Provogue, etc. In the past Company has worked with MNC brands including Puma, Adidas, Reebok, Decathlon.

Real images of footwear



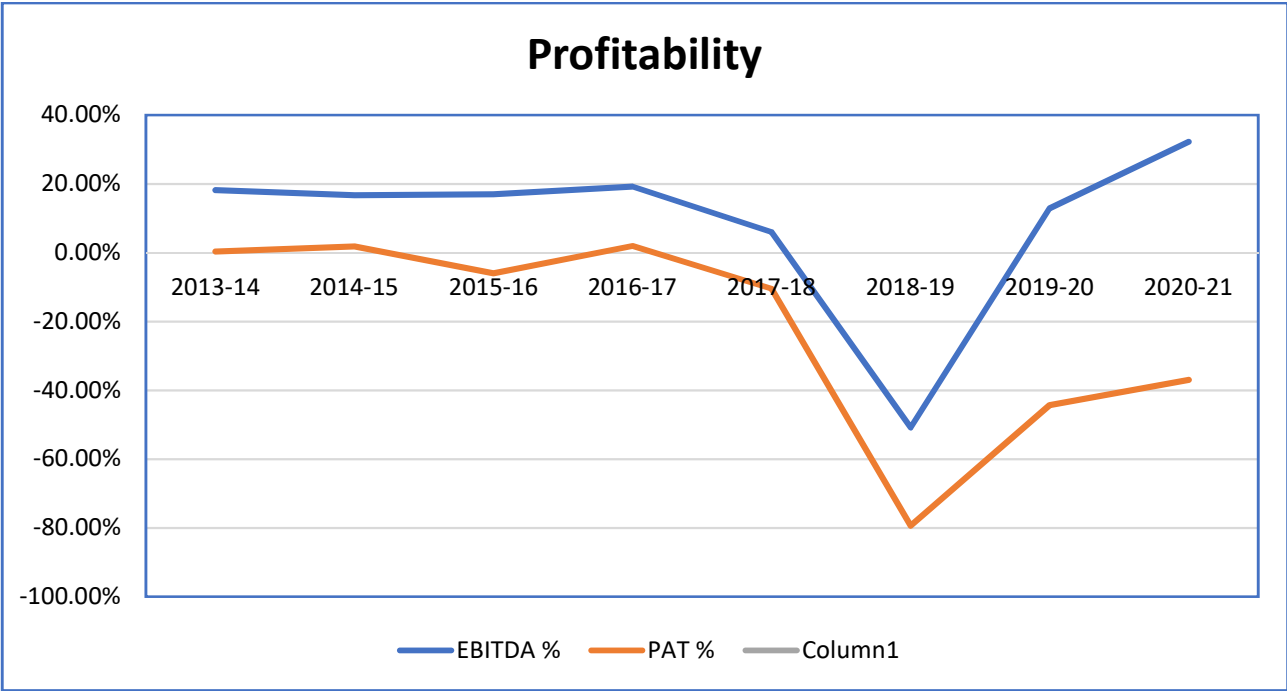
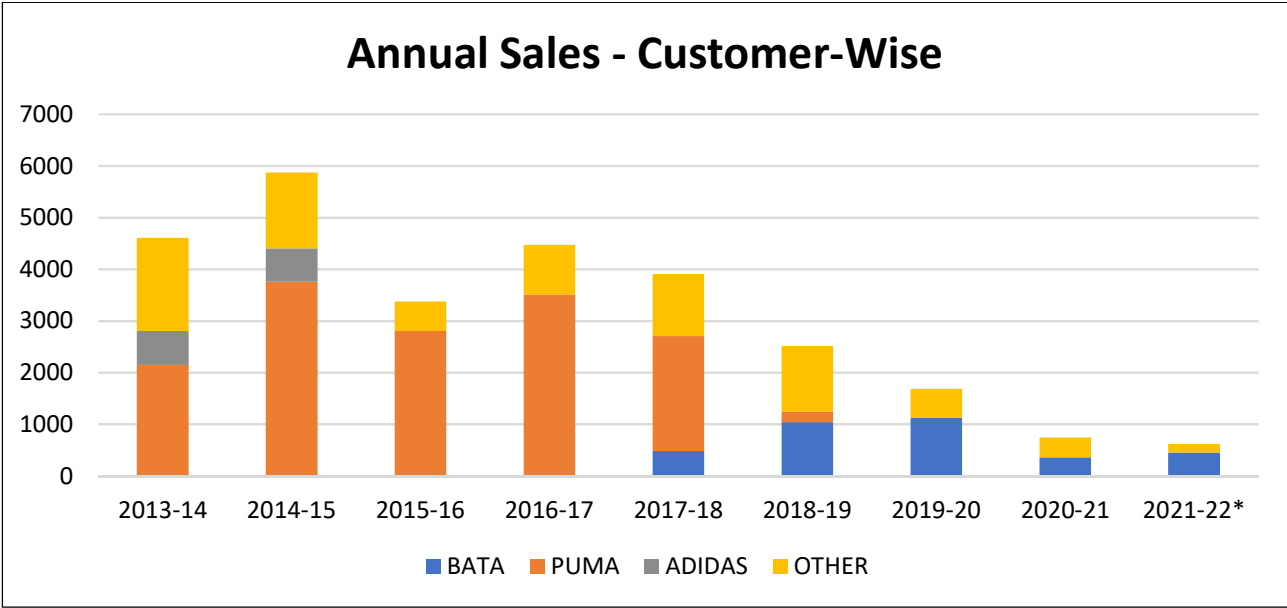
X. SNAPSHOT OF FINANCIAL PERFORMANCE

(Amount in Crs.)

Particulars	F.Y 2021-22	F.Y 2020-21	F.Y 2019-20	F.Y 2018-19	F.Y 2017-18	F.Y 2016-17
Equity						
Share Capital	19.65	19.65	19.65	19.65	13.89	13.89
Reserves and Surplus	-46.52	-43.93	-41.51	-34.92	-18.01	-14.07
Other Equity	-46.52	-43.93	1.15	1.29	1.26	0.00
Total Equity	-26.88	- 24.29	-20.72	-13.98	-2.86	-0.18
Liabilities						
Non-current Liabilities						
Long Term Borrowings	9.33	6.13	8.22	8.89	13.11	10.93
Net Deferred Tax Liabilities	0.00	0.00	0.00	0.86	3.52	3.38
Other Long Term Liabilities	0.85	0.99	1.24	2.68	2.36	2.80
Long Term Provisions	0.40	0.38	0.59	0.67	0.77	0.71
Total Non-current Liabilities	10.59	7.51	10.05	13.10	19.76	17.82
Current Liabilities						
Short Term Borrowings	33.98	35.74	22.02	21.94	22.86	20.71
Trade Payables	6.87	6.74	6.21	9.41	7.94	13.95
Other Current Liabilities	1.59	1.33	11.76	11.12	10.34	7.03
Short Term Provisions	0.50	0.05	0.85	0.86	0.75	0.77
Total Current Liabilities	42.49	43.85	40.84	43.33	41.89	42.47
Total Equity and Liabilities	26.19	27.08	30.17	42.45	58.79	60.11
Assets						
Net Fixed Assets						
Tangible Assets	15.04	16.68	18.54	20.21	21.94	23.34
Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00
Total Net Fixed Assets	15.04	16.68	18.54	20.21	21.94	23.34
Capital Work-in-progress	0.00	0.00	0.00	0.00	0.00	0.00
Other Non-current Assets						
Non-current Investments	0.00	0.00	0.00	0.00	0.00	0.00
Net Deferred Tax Assets	-	-	-	-	-	-
Long Term Loans and Advances	0.00	0.00	0.13	0.15	0.15	0.13
Other Non-current Assets	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Non-current Assets	15.05	16.80	0.13	0.15	0.15	0.13
Current Assets						
Current Investments	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	2.60	2.79	3.44	6.76	18.01	17.81
Trade Receivables	6.11	5.68	5.64	9.97	12.60	14.39
Cash and Bank Balances	0.06	0.05	0.68	0.23	0.20	0.36
Short Term Loans and Advances	1.81	1.46	1.75	5.14	5.90	4.07
Other Current Assets	-	-	-	-	0.00	0.00
Total Current Assets	11.15	10.28	11.50	22.10	36.70	36.64
Total Assets		27.08	30.17	42.45	58.79	60.11

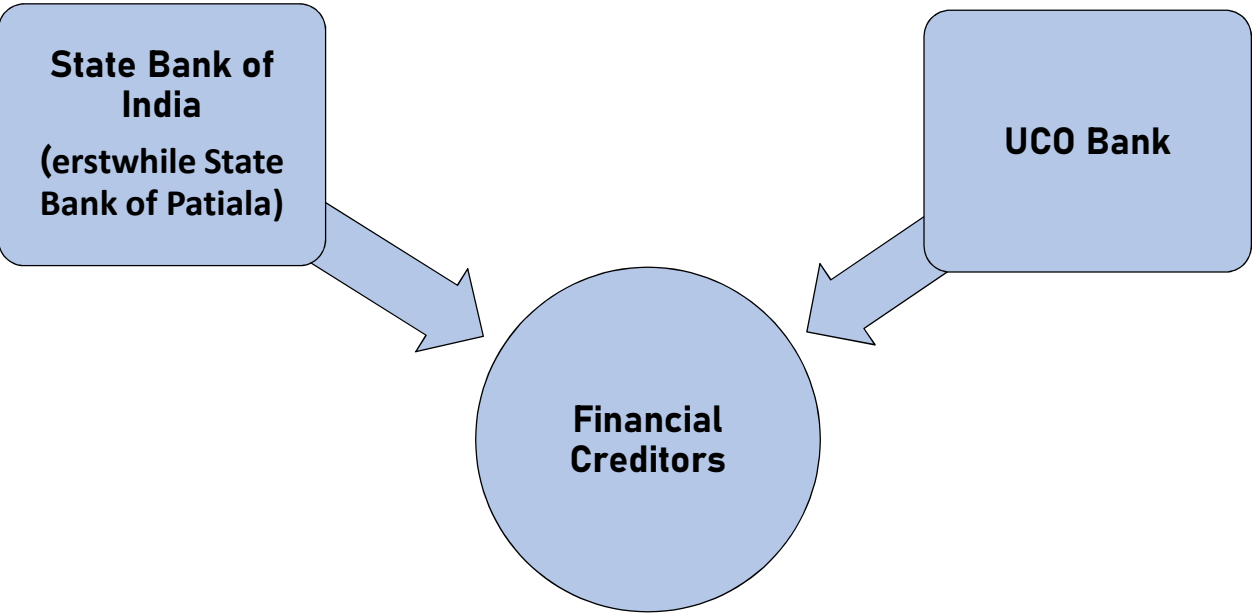
(Amount in Crs.)

Particulars	F.Y 2021-22	F.Y 2020-21	F.Y 2019-20	F.Y 2018-19	F.Y 2017-18	F.Y 2016-17
Net Revenue	13.83	7.45	16.83	25.24	37.78	44.39
Operating Cost						
Cost of Materials Consumed	9.97	5.43	10.69	20.67	22.33	22.37
Purchases of Stock-in-trade	0.00	0.00	0.00	0.00	-	-
Changes in Inventories / Finished Goods	-0.04	0.16	1.44	5.25	0.88	0.21
Employee Benefit Expense	2.23	0.70	3.19	4.58	8.87	10.34
Other Expenses	2.48	2.41	6.97	8.33	3.62	2.89
Total Operating Cost	14.67	8.70	22.29	38.84	35.69	35.81
Operating Profit (EBITDA)	-0.84	-1.25	-5.46	-13.60	2.09	8.59
Other Income	0.46	3.65	2.15	0.92	0.34	0.67
Depreciation and Amortization Expense	1.70	1.88	2.14	2.17	2.13	2.08
Profit Before Interest and Tax	-2.08	0.52	-5.44	-14.85	0.29	7.17
Finance Costs	0.53	3.28	2.09	5.18	4.29	6.18
Profit Before Tax and Exceptional Items Before Tax	-2.62	-2.76	-7.53	-20.03	-4.00	0.99
Exceptional Items Before Tax	0.00	0.00	0.00	0.00	-	-
Profit Before Tax	-2.62	-2.76	-7.53	-20.03	-4.00	0.99
Income Tax	-0.005	-0.09	-0.88	-2.68	0.08	-0.35
Profit for the Period from Continuing Operations	-2.62	-2.67	-6.65	-17.35	-4.08	1.34
Profit from Discontinuing Operations After Tax	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the Period	-2.62	-2.67	-6.65	-17.35	-4.08	1.34
RATIOS	F.Y 2021-22	F.Y 2020-21	F.Y 2019-20	F.Y 2018-19	F.Y 2017-18	F.Y 2016-17
Revenue Growth (%)	85.5	-55.7	-33.3	-33.2	-14.9	31.5
EBITDA Margin (%)	15.58	-16.8	-32.4	-53.9	5.5	19.3
Net Margin (%)	-18.94	-35.8	-39.5	-68.7	-10.8	3.0
Return on Equity (%)	-	-	-	-	-	-
Debt / Equity	-	-	-	-	-	-
Inventory / Sales (Days)	69.0	137.0	75.0	98.0	174.0	146.0
Debtors / Sales (Days)	161.0	279.0	122.0	144.0	122.0	118.0
Payables / Sales (Days)	181.0	330.0	135.0	136.0	77.0	115.0
Cash Conversion Cycle (Days)	49.0	85.0	62.0	106.0	219.0	150.0
Sales / Net Fixed Assets	0.9	0.4	0.9	1.2	1.7	1.9



XI. FINANCIAL CREDITORS OF CORPORATE DEBTOR

The Corporate Debtor approached financial creditors for availing credit facilities on various occasions. There are two secured financial creditors as below : .



State Bank of India (erstwhile State Bank of Patiala) sanctioned different credit facilities under consortium banking arrangement with UCO bank in the year 2015. The Summary of sanctioned credit facilities by SBI & UCO under consortium is tabulated as below:

(Amount in Crs)

Nature of Credit Facilities sanctioned	SBI(erstwhile SBOP)	UCO Bank
Cash Credit Limit	10.08	7.92
Non-Fund Based Limit	1.75	1.00
Term Loan	7.69	8.73
Total	19.52	17.65

Corporate Debtor failed to comply with the terms of sanction letters and defaulted in payment of instalment & interest. In accordance to the same, UCO Bank and State Bank of India classified the account of corporate debtor as NPA on 30/06/2017

SECURED FINANCIAL DEBT AS ON DATE OF CIRP

(Amount in Crs)

S.N	Name of Financial Creditors	Claim Received	Claim Admitted	Voting Share
1	State Bank of India (erstwhile State Bank of Patiala)	23,77,66,560	23,77,66,560	48 %
2.	UCO Bank	25,75,94,796	25,75,94,796	52 %
	Total	49,53,61,356	49,53,61,356	100 %

Security interest of State bank of India (Erstwhile State Bank of Patiala)

Primary Security	Details of Security	Type of Charge
	First Pari-passu charge with UCO Bank on entire current assets i.e Stocks of raw material, stock in process, stores and spares, finished goods, book debts and other current assets both present and future at all places of the company All part & parcel and P&M installed at units.	Hypothecation
Collateral Security:-		
	1 st pari-passu charge with UCO Bank on entire fixed assets of the company (Land and building) a)Factory Land & Building measuring 0-17-60 Hectares bearing Khata No.301/394, Khasra No.41/0-02-47, 42/0-21-00, Total 0-23-47 share ¾ i.e 0-17-60 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.374 dated 02.04.2009)	Equitable Mortgage
	b) Factory Land & Building measuring 0-08-28 Hectares bearing Khata No.36/38, Khasra No.7/2-30-01, 9/0-72-67,875/0-16-45, 878/0-02-00 Total 3-21-13 share ¼ i.e 0-08-28 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.375 dated 02.04.2009)	Equitable Mortgage
	c) Factory Land & Building measuring 0-08-07 Hectares bearing Khata No.69/84, Khasra No.39/0-25-27, Total 0-25-27 share 807/2527 i.e0-08-07 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.438 dated 27.04.2009)	Equitable Mortgage

	d) Factory Land & Building measuring 0-05-87 Hectares bearing Khata No.301/394, Khasra No.41/0-02-47, 42/0-21-00, Kitey-2 Total 0-23-47 share $\frac{1}{4}$ i.e 0-05-87 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.709 dated 02.07.2009)	Equitable Mortgage
	e) Factory Land & Building measuring 02-52-61 Hectares bearing Khata No.69/84, Khasra No.13/0-00-69, 14/0-01-98, 37/0-04-76 i.e 0-07-43, Khata No.484/614, Khasra No.5/0-15-08, 6-0-58-97, Total 0-74-05 share 1152/7405 i.e 0-11-52 Hectares, Khata No.36/38, Khasra No.7/2-30-01, 8/0-00-40, 9/0-72-67, 11/0-04-18, 878/0-02-00, Total 03-09-26 share $\frac{3}{4}$ i.e 02-31-95 Hectares, Khata No.36/38, Khasra No.879/0-11-39, Total 0-11-39 share $\frac{3}{20}$ i.e 0-01-71 Hectares, totaling 02-52-61 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.867 dated 11.08.2009)	Equitable Mortgage
	Working Capital and Term Loan :- Exclusive Charge to SBI by way of Pledge of 1255000 shares in Demat form of the company detailed as under: Name of Pledgee No. Of Shares 1. Sh Amit Mahajan 2,00,500 2.Sh.R C Mahanjan 2,59,750 3.Sh.AmitMahajan5,35,250	
	Guarantees : i. Sh.Ramesh Chander Mahanjan s/o Sh.Durga Dass Mahanjan ii. Sh.Amit Mahajan s/o Late Sh.Yash Dev Mahajan iii. Smt.Suman Mahajan w/o Sh.RameshChander Mahajan iv. Smt.Sangeet Mahajan w/o Late Yash Dev Mahajan v. Sh.Munish Mahajan s/o Late Sh.Yash Dev Mahajan vi. Sh.Amit Mahajan s/o Sh.RameshChander Mahajan	

Security interest of UCO Bank

Primary Security			
Cash Credit	First pa-passu Charge along with consortium member SBOP on the entire current assets of the company both present and future at all places.		
Letter of Credit	Extension of charge on Current assets of the company as stipulated for CC Limits will also be applicable for this facility.		
Collateral Security	Detail of Security	Type of Charge	Owned BY
CC & NFB	Fixed Assets present or future of the company including Equitable Mortgage of the properties	2 nd pari passu charge	Borrower Company
TL/FITL	Company's entire stock (all units) of RM/WIP/FG, Consumable stores and spares, tool& dies, book debt and all other current assets present and future	2 nd pari passu charge	Borrower Company
Exclusive charge: Pledge of 1155250 shares of the company having face value of Rs.100/- each.			
Sale deed no 374 dated 02.04.09, 709 dated 02.07.09, 375 dated 02.04.09, 438 dated 27.04.09 and 867 dated 11.08.09 located at Vill.Singon, The-Harali, Distt-Una, Himanchal Pradesh in the name of the company. (Land of the factory equitable mortgaged with SBOP (after merger SBI)-CERSAI ID-1100000213705			
Personal Guarantees : 1. Sh.R.C.Mahajan 2. Sh.Amit Mahajan s/o Late Sh.Y.D.Mahajan			

- | |
|--|
| 3. Smt.Suman Mahajan w/o Sh.R.C.Mahajan
4. Smt Sangeeta Mahajan s/o late Sh.Y.D.Mahajan
5. Sh.Munish Mahajan s/o Sh.Y.D.Mahajan
6. Sh.Anil Mahajan s/o Sh.R.C.Mahajan |
|--|

UNSECURED FINANCIAL CREDITORS

KDA Corporate Advisors LLP executed an unsecured loan agreement with corporate debtor and lent a sum of Rs.95,00,000/- for the period of 12 months (i.e on or before 21st July 2022) at an interest rate of 21% per annum at monthly rests. As on CIRP date total outstanding principal amount is Rs.78.99 Lacs and outstanding interest is Rs.6.68 Lacs.

XII. CAUSE OF DEFAULT

Reasons for Losses:

Pursuant to the discussions held with management (suspended) of corporate debtor following major reasons have been highlighted for the losses in the company which caused the default in the repayment of loans availed from the financial creditors.

1. The Company faced slowdown due to the impact of demonetization and GST. After May 2017, the MNC/big brand customers slowed down the purchases of footwears in order to reduce/streamline their inventory on GST system. The affect spilled over to the company with major customers of the Company deferring and reducing their orders placed. The inventory of finished goods piled up at the production unit and payments from customers delayed. As a result, the funds blocked in the inventory and liquidity impacted adversely. This is evidenced by the fact that sales in Oct-Dec 2016 as well as Jan-March 2017 were Rs. 1000 Lacs each, but they fell to Rs 650 Lacs in April-June 2017 on account of onset of GST. After implementation of GST, sales rose back to Rs 994 Lacs in July-Oct 2017. After that, there was a continuous decline because after declaration of NPA, the Company could not maintain its scale of operations.
2. After implementation of GST w.e.f. 1.07.2017, the company has to pay GST on sales and subsequently will have to avail refund/input tax credits. Since the refund was to be received with a time lag, it has put additional strain on the funds flow of the company which was already facing liquidity crunch and had just become NPA. It may be pertinent to add that in the initial period, GST on footwear was 18%.
3. Stress on the profitability of the company due to heavy interest burden on the Term loans and outstanding in working capital loans. Due to the decline in sales, the Company could not service its interest and principal repayment obligations.
4. The major business (about 80%) was with one big client i.e PUMA, and the unit was dependent on their performance and demand in the market. After turning NPA, the major customer, Puma ceased business with the Company which meant that the sales of the Company reduced drastically till it was able to develop other customers. Puma contributed Rs 35.8 Cr (80%) out of total sales of Rs 44.39 Cr in 2016-17 ; Rs. 22.23 Cr (58%) out of Rs. 37.78 Cr in 2017-18 and Rs. 1.68 Cr (6.7%) out of total sale of Rs. 25.24 Cr in 2018-19. The decline in Puma sales was a major factor in total sales decline over these years.
5. After becoming NPA, and losing the business with Puma, the Company has been making significant efforts to develop new customers. But the efforts have been hampered by the lack of funds, which in turn made it difficult to execute orders in a timely manner. As a result, the overall business has been falling each year. The below data shows annual sales in the past 5 years:

FY 16-17: Rs 44.73 Crores (before NPA)

FY 17-18: Rs. 37.78 Crores (while Puma business was ongoing)

FY 18-19: Rs 25.24 Crores (due to decline in Puma business)

FY 19-20: Rs 16.83 Crores (effects of funds crunch being faced by company and inability to generate orders, or execute orders in timely manner)

FY 21-22: Rs. 7.45 Crores (impact of COVID-19)

6. The Company had discussions with banks regarding restructuring of accounts after becoming NPA, and SBI had also got a TEV study done from their in-house TEV cell. Since the TEV study found the future prospects of the business unviable due to the high debt level, the restructuring could not be completed. Hence, faced with no alternative, the Company approached the lead bank for a negotiated settlement of bank dues in 2019. This negotiated settlement was accepted by SBI (lead bank) on 11th February 2020 for an amount of Rs 8.50 Crores, with an understanding that the UCO bank shall also do a negotiated settlement on similar lines. However, the impact of COVID-19 was so severe that the operations were closed between March-August 2020 and again between April-June 2021. This again led to huge losses and a strain on the already depleted working capital of the Company. The uncertainty caused by COVID-19 also led to a situation wherein the Company was unable to fulfil its obligations as per the terms of negotiated settlement. As a result, UCO Bank filed application before Honourable NCLT in July 2021 for resolution of the Company's debt under IBC.
7. The banking operations of the Company were also being done under "holding on operations" with 20% cutback. As a result, there was an outflow of Rs. 175 Lacs approximately between June-December 2021. This has increased the financial strain on the Company and ongoing operations have been difficult unless fund infusion is done to shore up the working capital".

XIII. EVENTS LEADING TO INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS

The financial creditor UCO Bank under consortium with State Bank of India (erstwhile State Bank of Patiala) had sanctioned the various credit facilities to corporate debtor. Due to non-compliance of sanctioned terms by the corporate debtor and continued default in the repayment of loans, the UCO Bank classified the account of corporate debtor as NPA on 30.06.2017. The UCO bank had also issued demand notice under section 13(2) of the SARFAESI Act.

UCO Bank, one of the secured financial creditors of the corporate debtor filed a petition under section 7 of IBC 2016 against Corporate Debtor before the NCLT Chandigarh Bench to initiate the Corporate Insolvency Resolution Process. The Hon'ble Adjudicating Authority, National Company Law Tribunal, Chandigarh Bench admitted the petition and initiated the corporate insolvency resolution process vide its order dated 21.12.2021.

XIV. CURRENT SCENARIO OF CORPORATE INSOLVENCY RESOLUTION PROCESS

STATUS OF THE OPERATIONS OF CORPORATE DEBTOR

The Corporate Debtor has been in operations till March 2023 and is not in operations since then due to shortage of funds.

MANAGERIAL CONTROL & CUSTODY OF ASSETS OF CORPORATE DEBTOR

RP has taken the possession, control and custody of the assets of the corporate debtor. The bank accounts have been debit frozen and all the payments are routing under the signature of RP only. The security guards have been deployed at the work place of the corporate debtor by IRP.

PUBLICATION OF FORM-A: INTIMATION OF INITIATION OF CORPORATE INSOLVENCY & RESOLUTION PROCESS OF S R INDUSTRIES LIMITED

DAINIK BHASKAR

FORM A
PUBLIC ANNOUNCEMENT

(Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

FOR THE ATTENTION OF THE CREDITORS OF S.R. INDUSTRIES LIMITED

RELEVANT PARTICULARS

1. Name of corporate debtor	S.R. INDUSTRIES LIMITED
2. Date of incorporation of corporate debtor	19.07.1989
3. Authority under which corporate debtor is incorporated / registered	Registrar of Companies, Chandigarh under the Companies Act, 1953
4. Corporate Identity No. / Limited Liability Identification No. of corporate debtor	L29246PB1989PLC009531
5. Address of the registered office and principal office (if any) of corporate debtor	REGD. OFFICE: E- 217, Industrial Area, Phase 8-B, Mohali-160071, Punjab
6. Insolvency commencement date in respect of corporate debtor	21.12.2021 (Order served to IRP on 22.12.2021)
7. Estimated date of closure of insolvency resolution process	18.06.2022 (180th day from the Insolvency Commencement Date)
8. Name and registration number of the insolvency professional acting as interim resolution professional	Rajender Kumar Jain IBB/PA-001/IP-P00543/2017-2018/10968
9. Address and e-mail of the interim resolution professional, as registered with the Board	House No. 3693/1, First Floor, Sector 46-C, Chandigarh-160047 E-mail id: rkjain.ip@gmail.com
10. Address and e-mail to be used for correspondence with the interim resolution professional	SCO-818, 1st Floor, Above Yes Bank, NAC, Manimajra, Chandigarh-160101 E-mail: SRINDUSTRIESIRP@GMAIL.COM Mobile No.: +91-92832-81078
11. Last date for submission of claims	04.01.2022
12. Classes of creditors, if any, under clause (b) of sub-section (3A) of section 21, ascertained by the interim resolution professional	Name the class (es) – NA
13. Names of Insolvency Professionals identified to act as Authorized Representative of creditors in a class (Three names for each class)	1. NA 2. NA 3. NA
14. (a) Relevant Forms and (b) Details of authorized representatives are available at:	(a) Web link: http://ibbi.gov.in/downloadform.html Please refer Note 1 given below for applicable form(s) (b) Not Applicable

Notice is hereby given that the Hon'ble National Company Law Tribunal, Chandigarh has ordered the commencement of the Corporate Insolvency Resolution Process of M/s. S.R. INDUSTRIES LIMITED on 21.12.2021.

The Creditors of M/s S.R. Industries Limited are hereby called upon to submit their claims with proof on or before 4th January, 2022 to the Interim Resolution Professional at the address mentioned against entry No. 10.

The Financial Creditors shall submit their claims with proof by Electronic means only. All other Creditors may submit the claims with proof in person, by post or by electronic means.

The submission of proof of claims should be made in accordance with Chapter IV of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The proof of claims is to be submitted by way of the following specified forms along with documentary proof in support of their claims:

Note-1

Form B: for claims by Operational Creditors (except Workmen and employees)

Form C: for Claims by Financial Creditors

Form CA: for Claims by Financial Creditors in a Class

Form D: for Claims by a workman and employee

Form E: for Claims by Authorized Representative of Workmen and Employees

Form F: for Claims by creditors other than financial creditors and operational creditors

Submission of false or misleading proofs of claim shall attract penalties.

Kindly mention your contact details in the claim form so that any query regarding the claim can be resolved at the earliest.

Sd/-
Rajender Kumar Jain
(Reg. No IBB/PA-001/IP-P00543/2017-2018/10968)
Interim Resolution Professional in the matter of
S.R. Industries Limited

Date: 22.12.2021
Place: Chandigarh

FINANCIAL EXPRESS

फॉर्म ए
सार्वजनिक घोषणा

(इन्सोल्वेंसी एण्ड बैकक्रप्सी बोर्ड ऑफ इंडिया (इन्सोल्वेंसी रेगुलेशन प्रोसेस फॉर कारपोरेट पर्सन) रेगुलेशन, 2016 के रेगुलेशन 6 के अंतर्गत)

एसआर इंडस्ट्रीज लिमिटेड के क्रेडिटर्स के ध्यानार्थ

संबंधित विवरण

1. कारपोरेट श्रेणी का नाम	एसआर इंडस्ट्रीज लिमिटेड
2. कारपोरेट श्रेणी के सम्मेलन की तिथि	19.07.1989
3. प्राधिकारी, जिसके अंतर्गत कारपोरेट श्रेणी सम्मेलनित/पंजीकृत किया गया है	कंपनी अधिनियम, 1956 के तहत कंपनी रजिस्ट्रार, चंडीगढ़
4. कारपोरेट की कारपोरेट पहचान संख्या/ सीमित देयता पहचान संख्या	L29246PB1989PLC00 9531
5. कारपोरेट श्रेणी का पंजीकृत कार्यालय और मुख्यालय (यदि कोई हो) का पता	पंजीकृत कार्यालय: ई-217, औद्योगिक क्षेत्र, फेज-8-बी, मोहाली- 160071, पंजाब
6. कारपोरेट श्रेणी के संबंध में इन्सोल्वेंसी शुरू करने की तिथि	21.12.2021 (22.12.2021 को आईआरपी को नामित आदेश)
7. इन्सोल्वेंसी प्रस्ताव प्रक्रिया समर्पण की अनुमानित तिथि	18.06.2022 (इन्सोल्वेंसी शुरू होने की तिथि से 180 दिन)
8. अंतरिम प्रस्ताव पेशेवर के रूप में क्रियात्मक इन्सोल्वेंसी प्रोफेशनल का नाम व पंजीकरण संख्या	राजेंद्र कुमार जैन आईबीबीआई/आईपीए- 001/आईपी- पी00543/2017- 2018/10968
9. बॉर्ड से पंजीकृत अनुसार अंतरिम प्रस्ताव पेशेवर का पता और ई-मेल	मकान सं. 3693/1, पहली मंजिल, सेक्टर 46-सी, चंडीगढ़- 1600347 ई-मेल आईडी: rkjain.ip@gmail.com
10. अंतरिम प्रस्ताव पेशेवर से संपर्क के लिए उपयोग किए जाने वाला पता व ई-मेल	एससीओ-818, पहली मंजिल, यम बैंक के ऊपर, एनएसी, मनोमाजरा, चंडीगढ़- 160101, ई-मेल: SRINDUSTRIESIRP@GMAIL.COM मोबाइल सं. +91-63832-81078
11. दावे प्रस्तुत करने की अंतिम तिथि	04.01.2022
12. अंतरिम प्रस्ताव पेशेवर द्वारा निर्धारित धारा 21 की उपधारा (6ए) के खंड (बी) के तहत क्रेडिटर की श्रेणी, यदि कोई हो	श्रेणी का नाम- एनए
13. श्रेणी में क्रेडिटर्स के पंजीकृत प्रतिनिधि के रूप में कार्य करने वाली इन्सोल्वेंसी पेशेवर पहचान का नाम (प्रत्येक श्रेणी के लिए तीन नाम)	1. एनए 2. एनए 3. एनए
14. (ए) संबंधित फॉर्म और (बी) प्राधिकृत प्रतिनिधि का विवरण उपलब्ध है:	(ए) वेब लिंक: http://ibbi.gov.in/downloadform.html सबूत फॉर्म के लिए नीचे दिए गए नोट 1 का संदर्भ ले (बी) लागू नहीं।

एतद्वारा सूचना दी जाती है कि माननीय नेशनल कंपनी लॉ ट्रिब्यूनल, चंडीगढ़ ने 21.12.2021 को बैसर्स एस.आर. इंडस्ट्रीज लिमिटेड की कारपोरेट इन्सोल्वेंसी प्रस्ताव प्रक्रिया शुरू करने के आदेश दिए हैं।

बैसर्स एस.आर. इंडस्ट्रीज लिमिटेड के क्रेडिटर्स को प्रॉबिट से 10 के अंतर्गत वर्णित पते पर अंतरिम प्रस्ताव पेशेवर को 04 जनवरी, 2022 या इससे पूर्व प्रमाण के साथ अपने दावे प्रस्तुत करने हेतु एतद्वारा आमंत्रित किया जाता है।

फाइनेंशियल क्रेडिटर को केवल इलेक्ट्रॉनिक माध्यम द्वारा प्रमाण सहित अपने दावे प्रस्तुत करने होंगे। सभी अन्य क्रेडिटर व्यक्तिगत रूप से, डाक के माध्यम से या इलेक्ट्रॉनिक माध्यम से प्रमाण के साथ अपने दावे प्रस्तुत कर सकते हैं। दावों के प्रमाण का प्रस्तुतीकरण इन्सोल्वेंसी एण्ड बैकक्रप्सी बोर्ड ऑफ इंडिया (इन्सोल्वेंसी रेगुलेशन प्रोसेस फॉर कारपोरेट पर्सन) रेगुलेशन, 2016 के चैप्टर IV के अनुरूप होने चाहिए। दावों का प्रमाण निम्नलिखित निर्धारित रूप में अपने दावों के समर्थन में दस्तावेजी प्रमाण पत्रों सहित प्रस्तुत करने हैं।

नोट 1:

फॉर्म-बी : ऑपरेशनल क्रेडिटर (वर्कमैन और इंप्लॉय के अलावा) द्वारा दावों हेतु।

फॉर्म-सी : फाइनेंशियल क्रेडिटर द्वारा दावों हेतु।

फॉर्म-सी-ए : श्रेणी में फाइनेंशियल क्रेडिटर द्वारा दावों हेतु।

फॉर्म-डी : वर्कमैन और इंप्लॉयड द्वारा दावों हेतु।

फॉर्म-ई : वर्कमैन और इंप्लॉय के प्राधिकृत प्रतिनिधियों द्वारा दावों हेतु।

फॉर्म-एफ : क्रेडिटर्स से अलग फाइनेंशियल क्रेडिटर और ऑपरेशनल क्रेडिटर्स द्वारा दावों हेतु।

दावों के गलत प्रस्तुतीकरण या भ्रमक प्रमाण पर नुर्माना लगाया जाएगा।

कृपया दावा फॉर्म में अपने संपर्क विवरण को वर्णित करें ताकि दावे में संबंधित किसी पुष्टता को जल्दी से समाधान किया जा सके।

हस्ता/-
राजेंद्र कुमार जैन
(पंजीकरण संख्या आईबीबीआई/आईपीए-001/आईपी-पी00543/2017-2018/10968)
दिनांक: 22.12.2021
स्थान: चंडीगढ़
एस.आर. इंडस्ट्रीज लिमिटेड
के मामले में अंतरिम प्रस्ताव पेशेवर

Chapter-III
BRIEF SUMMARY OF REGULATION 36(2) OF IBBI (CIRP) REGULATION, 2016

The Resolution Professional, in accordance with Regulation 36(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, has prepared the Information Memorandum containing the following details:

S.No	Regulation	Particulars
1	36(2) (a)	(a) assets and liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values Explanation: 'Description' includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, and any other relevant details.
2	36(2) (b)	(b) the latest annual financial statements
3	36(2) (c)	(c) audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application
4	36(2) (d)	(d) a list of creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims
5	36(2) (e)	(e) particulars of a debt due from or to the corporate debtor with respect to related parties
6	36(2) (f)	(f) Details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party
7	36(2) (g)	(g) the names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake
8	36(2) (h)	(h) details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities
9	36(2) (i)	(i) the number of workers and employees and liabilities of the corporate debtor towards them
10	36(2) (j)	(j) Company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the corporate debtor such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other pre-existing facilities
11	36(2) (k)	(k) Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements
12	36(2) (l)	(l) any other information which the resolution professional deems relevant to the committee.

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC, 2016 read with regulation 36 of the IBBI (Insolvency resolution process for Corporate person) Regulations, 2016)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-2021
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

DETAILS OF ASSETS & LIABILITIES AS PER REGULATION 36 (2) (a) (b) & (c)

	PARTICULARS	As on CIRP Date 21.12.2021 (Provisional)	F.Y 2021-22 (Audited)	F.Y 2020-21 (Audited)	F.Y 2019-20 (Audited)	F.Y 2018-19 (Audited)
1	(I) NON-CURRENT ASSETS					
	Fixed Assets	15,38,42,874	15,04,38,692	16,68,42,362	18,54,29,012	20,20,55,642
	Deferred Tax Assets(Net)					
	Other non-current assets					
	Other non-current financial assets	11,19,215	25,800	11,19,215	12,79,215	14,59,215
	Total	15,49,62,089	15,04,64,492	16,79,61,577	18,67,08,227	20,35,14,857
2	(II) CURRENT ASSETS					
	Inventories	2,54,28,176	2,59,75,393	2,79,31,547	3,43,90,485	6,75,64,787
	Trade Receivables	6,81,00,320	6,11,21,964	5,68,47,082	5,63,82,500	9,96,86,675
	Cash & Bank Balance	0	0	0	10,86,458	9,87,939
	Cash and cash equivalents	4,55,807	6,09,607	4,55,658	56,78,222	13,05,072
	Short-term loans and advances (Other current assets)	1,72,10,886	1,81,20,175	1,46,28,463	1,67,42,960	3,69,42,284
	Other current financial assets	52,32,286	56,36,892	29,64,735	7,15,398	1,44,64,026

	Other current assets					
	Total	11,64,27,476	11,14,64,031	10,28,27,485	11,49,96,023	22,09,50,783
A	TOTAL ASSETS	27,13,89,564	26,19,28,523	27,07,89,062	30,17,04,250	42,44,65,640
3	CURRENT LIABILITIES					
	Short Term Borrowings	231346776	21,38,34,453	23,14,33,841	22,01,90,009	21,94,09,506
	Trade Payable	69200060	6,86,92,769	6,73,86,598	6,20,65,046	9,41,02,165
	Other Current Liabilities	2,05,70,171	1,44,25,383	1,17,87,435	1,24,44,696	
	Short term Provisions	4,60,114	4,97,304	4,53,653	85,28,264	85,74,286
	Other current financial liabilities	13,40,02,815	12,59,71,431	12,59,71,431	11,61,05,581	10,97,32,861
	Deferred government grants, Current	14,85,201	14,85,201	14,85,201	14,85,201	14,97,270
	TOTAL	45,70,65,137	42,49,06,541	43,85,18,159	42,08,18,797	43,33,16,088
4	<u>Non-Current Liabilities</u>					
	Loan Term borrowing	8,16,76,286	9,32,90,902	6,13,08,848	8,21,60,983	8,88,96,178
	Long term provisions	35,44,399	40,73,953	38,27,522	59,06,750	
	Provisions, non-current					66,89,103
	Deferred tax liabilities (net)					86,01,449
	Other non-current financial liabilities					
	Other non-current liabilities					2,67,89,519
	Deferred government grants, non-current	96,00,428	84,86,527	99,71,728	1,14,56,929	1,29,42,129
	Total	9,48,21,113	10,58,51,382	7,51,08,098	9,95,24,662	14,39,18,378
	Net Working Capital	(34,06,37,661)	(31,34,42,510)	(33,56,90,674)	(30,58,22,774)	(21,23,65,305)
5	Net Worth	(28,04,96,685)	(26,88,29,400)	(24,28,37,195)	(21,86,39,209)	(15,27,68,826)
	Equity Share Capital	294568062	29,45,68,062	29,45,68,062	29,45,68,062	29,45,68,062
	Reserve & Surpluses	(57,50,64,747)	(56,33,97,462)	(53,74,05,257)	(51,32,07,271)	(44,73,36,888)
	Other equity					
	Total	(28,04,96,685)	(26,88,29,400)	(24,28,37,195)	(21,86,39,209)	(15,27,68,826)
B	Total Liabilities	27,13,89,564	26,19,28,523	27,07,89,062	30,17,04,250	42,44,65,640

FIXED ASSETS AS ON INSOLVENCY COMMENCEMENT DATE REGULATION 36 (2) (a) The description of assets as on 31-03-2022							
Particulars	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fitting & Equipment/ Installations	Vehicles	Others Equipment	Total
	INR	INR	INR	INR	INR	INR	INR
Period/Year ended 31 March, 2022							
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	2,09,69,201	28,77,86,498
Additions	-	-	13,200	-	-	5,83,903	5,97,103
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2022	1,63,75,392	7,48,55,454	15,74,52,611	1,50,93,348	30,53,692	2,15,53,104	28,83,83,601
Accumulated Depreciation							-
Opening Accumulated Depreciation	-	1,45,25,685	8,56,90,947	1,25,20,567	27,04,281	55,02,655	12,09,44,136
Depreciation charge during the year	-	29,12,023	1,22,13,643	4,26,657	64,055	13,84,396	1,70,00,774
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2022	-	1,74,37,708	9,79,04,590	1,29,47,224	27,68,336	68,87,051	13,79,44,910
Net Carrying Amount as at 31 March 2022	1,63,75,392	5,74,17,746	5,95,48,021	21,46,124	2,85,356	1,46,66,053	15,04,38,692
Net Book Value							
At 31 March 2021	1,63,75,392	5,74,17,746	5,95,48,021	21,46,124	2,85,356	1,46,66,053	15,04,38,692
At 31 March 2020	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

ANNEXURE 2 A

INFORMATION MEMORANDUM

(pursuant to section 29 of IBC, 2016 read with regulation 36 of the IBBI (Insolvency resolution process for Corporate person) Regulations, 2016)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

LIST OF FINANCIAL CREDITORS WITH THE AMOUNT CLAIMED AND ADMITTED REGULATIONS 36 (2) (d)

S. No	Name of Financial Creditor	Whether Related Party	Principal Amount Claimed	Interest Amount Claimed	Total amount Claimed	Claim Verified	Security Details
Secured Financial Creditors							
1	UCO Bank Ground Floor, SCO -55-56-57, Sector-17 B, Chandigarh-160017 Email ID:-cha17b@ucobank.co.in	No	11,59,15,000	14,16,79,796	25,75,94,796	25,75,94,796	Annexure-S-1
2	State Bank of India SAMB , SCO-99-107, 1st Floor, Sector-8 C Chandigarh Email ID:-santosh.kumar63@sbi.co.in	No	23,77,66,560	-	23,77,66,560	23,77,66,560	Annexure S-2
	Total		35,36,81,560	14,16,79,796	49,53,61,356	49,53,61,356	
Unsecured Financial Creditor							
S.No	Name of Financial Creditor	Whether Related Party	Principal Amount Claimed	Interest Amount Claimed	Total amount Claimed	Claim Verified	Security Details
1.	KDA Corporate Advisors LLP 203 The Summit WE Highway Vile Parle East Mumbai 400057 Email ID:-kdg@kdg.co.in, ankitj@kdg.co.in	No	85,67,355	-	-	85,67,355	Nil
	Total		85,67,355	-	-	85,67,355	

Unsecured Financial Creditor-Related Parties							
	Name of Financial Creditor	Whether Related Party	Principal Amount Claimed	Interest Amount Claimed	Total amount Claimed	Amount of claim not admitted	Security Details
1.	Amit Mahajan	Yes	4,51,05,498		4,51,05,498	4,51,05,498	Nil
2.	Munish Mahajan	Yes	82,58,618		82,58,618	82,58,618	Nil
	Total		5,33,64,116		5,33,64,116	5,33,64,116	

DETAILS OF SECURITY(S) AND GUARANTEE(S) HELD BY THE FINANCIAL CREDITORS

Security Interest of State bank of India (Erstwhile State Bank of Patiala)

Primary Security	Details of Security	Type of Charge
	First Pari-passu charge with UCO Bank on entire current assets i.e Stocks of raw material, stock in process, stores and spares, finished goods, book debts and other current assets both present and future at all places of the company All part & parcel and P&M installed at units.	Hypothecation
Collateral Security: -		
	1 st pari-passu charge with UCO Bank on entire fixed assets of the company (Land and building)	Equitable Mortgage
	a) Factory Land & Building measuring 0-17-60 Hectares bearing Khata No.301/394, Khasra No.41/0-02-47, 42/0-21-00, Total 0-23-47 share $\frac{3}{4}$ i.e 0-17-60 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.374 dated 02.04.2009)	
	b) Factory Land & Building measuring 0-08-28 Hectares bearing Khata No.36/38, Khasra No.7/2-30-01, 9/0-72-67,875/0-16-45, 878/0-02-00 Total 3-21-13 share $\frac{1}{4}$ i.e 0-08-28 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.375 dated 02.04.2009)	Equitable Mortgage
	c) Factory Land & Building measuring 0-08-07 Hectares bearing Khata No.69/84, Khasra No.39/0-25-27, Total 0-25-27 share 807/2527 i.e 0-08-07 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.438 dated 27.04.2009)	Equitable Mortgage
	d) Factory Land & Building measuring 0-05-87 Hectares bearing Khata No.301/394, Khasra No.41/0-02-47, 42/0-21-00,Kitey-2 Total 0-23-47 share $\frac{1}{4}$ i.e 0-05-87 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.709 dated 02.07.2009)	Equitable Mortgage
	e) Factory Land & Building measuring 02-52-61 Hectares bearing Khata No.69/84, Khasra No.13/0-00-69, 14/0-01-98, 37/0-04-76 i.e 0-07-43, Khata No.484/614, Khasra No.5/0-15-08, 6-0-58-97, Total 0-74-05 share 1152/7405 i.e 0-11-52 Hectares, Khata No.36/38, Khasra No.7/2-30-01, 8/0-00-40, 9/0-72-67, 11/0-04-18, 878/0-02-00,Total 03-09-26 share $\frac{3}{4}$ i.e 02-31-95 Hectares, Khata No.36/38, Khasra No.879/0-11-39, Total 0-11-39 share $\frac{3}{20}$ i.e 0-01-71 Hectares, totaling 02-52-61 Hectares situated at Village Singa, Tehsil Haroli, Distt. UNA, Himanchal Pradesh in the name of M/s S.R.Industries Limited (Sale Deed No.867 dated 11.08.2009)	Equitable Mortgage

	<p>Working Capital and Term Loan :- Exclusive Charge to SBI by way of Pledge of 1255000 shares in Demat form of the company detailed as under:</p> <table><tr><td>Name of Pledgee</td><td>No. Of Shares</td></tr><tr><td>1. Sh Amit Mahajan</td><td>2,00,500</td></tr><tr><td>2. Sh.RameshChanderMahanjan</td><td>2,59,750</td></tr><tr><td>3. Sh.Amit Mahajan</td><td>5,35,250</td></tr></table>	Name of Pledgee	No. Of Shares	1. Sh Amit Mahajan	2,00,500	2. Sh.RameshChanderMahanjan	2,59,750	3. Sh.Amit Mahajan	5,35,250					
Name of Pledgee	No. Of Shares													
1. Sh Amit Mahajan	2,00,500													
2. Sh.RameshChanderMahanjan	2,59,750													
3. Sh.Amit Mahajan	5,35,250													
	<p>Guarantees :</p> <table><tr><td>i.</td><td>Sh.RameshChanderMahanjan s/o Sh.DurgaDassMahanjan</td></tr><tr><td>ii.</td><td>Sh.Amit Mahajan s/o Late Sh.Yash Dev Mahajan</td></tr><tr><td>iii.</td><td>Smt.Suman Mahajan w/o Sh.RameshChander Mahajan</td></tr><tr><td>iv.</td><td>Smt.Sangeet Mahajan w/o Late Yash Dev Mahajan</td></tr><tr><td>v.</td><td>Sh.Munish Mahajan s/o Late Sh.Yash Dev Mahajan</td></tr><tr><td>vi.</td><td>Sh.Amit Mahajan s/o Sh.RameshChander Mahajan</td></tr></table>	i.	Sh.RameshChanderMahanjan s/o Sh.DurgaDassMahanjan	ii.	Sh.Amit Mahajan s/o Late Sh.Yash Dev Mahajan	iii.	Smt.Suman Mahajan w/o Sh.RameshChander Mahajan	iv.	Smt.Sangeet Mahajan w/o Late Yash Dev Mahajan	v.	Sh.Munish Mahajan s/o Late Sh.Yash Dev Mahajan	vi.	Sh.Amit Mahajan s/o Sh.RameshChander Mahajan	
i.	Sh.RameshChanderMahanjan s/o Sh.DurgaDassMahanjan													
ii.	Sh.Amit Mahajan s/o Late Sh.Yash Dev Mahajan													
iii.	Smt.Suman Mahajan w/o Sh.RameshChander Mahajan													
iv.	Smt.Sangeet Mahajan w/o Late Yash Dev Mahajan													
v.	Sh.Munish Mahajan s/o Late Sh.Yash Dev Mahajan													
vi.	Sh.Amit Mahajan s/o Sh.RameshChander Mahajan													

Security interest of UCO Bank

Primary Security			
Cash Credit	First pa-passu Charge along with consortium member SBOP on the entire current assets of the company both present and future at all places.		
Letter of Credit	Extension of charge on Current assets of the company as stipulated for CC Limits will also be applicable for this facility.		
Collateral Security			
	Detail of Security	Type of Charge	Owned BY
CC & NFB	Fixed Assets present or future of the company including Equitable Mortgage of the properties	2 nd pari passu charge	Company
TL/FITL	Company's entire stock (all units) of RM/WIP/FG, Consumable stores and spares, tool & dies, book debt and all other current assets present and future	2 nd pari passu charge	Company
Exclusive charge: Pledge of 1155250 shares of the company having face value of Rs.100/- each.			
Sale deed no 374 dated 02.04.09, 709 dated 02.07.09, 375 dated 02.04.09, 438 dated 27.04.09 and 867 dated 11.08.09 located at Vill.Singon, The-Harali, Distt-Una, Himanchal Pradesh in the name of the company. (Land of the factory equitable mortgaged with SBOP (after merger SBI)- CERSAI ID-1100000213705			
Personal Guarantees :			
1. Sh.R.C.Mahajan			
2. Sh.Amit Mahajan s/o Late Sh.Y.D.Mahajan			
3. Smt.Suman Mahajan w/o Sh.R.C.Mahajan			
4. Smt Sangeeta Mahajan s/o late Sh.Y.D.Mahajan			
5. Sh.Munish Mahajan s/o Sh.Y.D.Mahajan			
6. Sh.Amit Mahajan s/o Sh.R.C.Mahajan			

ANNEXURE 2 B

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI(Insolvency Resolution Process for Corporate Persons) Regulations,2016)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

LIST OF OPERATIONAL CREDITORS OTHER THAN WORKMEN AND EMPLOYEES WITH THE AMOUNT CLAIMED AND VERIFIED
AS PER REGULATIONS 36 (2) (d)

S.No	Name of Operational Creditor	Book Balance as on CIRP Date	Amount claimed	Claim Amount Verified	Claimed Amount Under Verification
1.	Link Intime India Pvt Ltd 44, Community Centre, 2nd Floor Naraina Industrial Area Phase-1, PVR Naraina New Delhi-110028	75,014	1,13,756	1,13,756	-
2.	Jhanji Textiles Pvt Ltd Near Cement Godown Industrial Area-c Kanganwal Ludhiana 141014	58,240	58,240	58,240	-
3.	Jasch Industries Ltd Gurugram (south) Plot No,C-1, 43/5 Bahalgarh Road ,Sonapat- 131021, Haryana	30,96,082	32,06,548	32,06,548	-
4.	Ravinder Kumar 612 DalimaViahar Rajpura Punjab 140401	20,000	20,000	20,000	-
5.	Lace India Co. C-90, Sector 10 Noida 201-301 B-80, Sector-6 Noida	5,80,443	6,86,445	6,86,445	-
6.	Sun Pack India V.P.O. Basal, Teh. & Distt. Una. 174303 (H.P.)	3,99,468	3,99,468	3,99,468	-

7.	Arvind Refrigeration & Engg. Works Shop No 9 Fauji Complex Sai Road Baddi Distt Solan H.P.-173205 India	19,765	19,765	19,765	-
8.	Instyle Overseas LLP 5158/4 Krishan Nagar, Karol Bagh New Delhi	31,506	31,506	31,506	-
9.	Jai Maa Enterprises 1430 Sanjay Colony Sector 23 NIT Faridabad Haryana	1,59,635	2,34,761	2,34,761	-
10.	RBN Industries 2151/3C, New Patel Nager, Opp. Shadipur Depot, New-Delhi 110008.	1,55,183	2,73,918	2,73,918	-
11.	Spinks India Plot No.88, Pace City-1, Sector-37, Gurgaon-122201	5,31,863	8,92,525	8,92,525	-
12.	DPR Moulds And machineries Pvt Ltd Plot No 86 Footwear Park HSIIDC Sector-17 Bahadurgarh Haryana-124507	21,19,892	32,77,310	21,19,892	-
13.	Onkar Exim Pvt Ltd 105 DSIDC Okhla Phase-1, New Delhi E-mail: accounts@rishioverseas.com	6,60,576	8,70,058	6,60,576	-
14.	AmbestenPackagings C-89, B.S. Road Industrial Area, Ghaziabad-201009 (U.P) ambestenpackagings@gmail.com	1,29,687	1,42,343	1,42,343	-
15.	Parma Impex Pvt Ltd 9, Printing Press Area, Wazirpur Delhi 110035	3,79,214	3,79,214	3,79,214	-
16.	Vardhman Yarns and threads Limited Branch/ Sales office at D-295/2, Phase-VIII, Focal Point , Chandigarh Road, Ludhiana- 141123 E-mail ID- rh.ldh@vardhmanthreads.in Unit-I, Phagwara Road, Hoshiarpur-146001 (Punjab) neeraj.kumar@vardhmanthreads.in	1,94,935	1,92,243	1,92,243	-
17.	Parmar Electrical works Haroli Road, Tahlimal Distt- Una	4,933	17,027	17,027	-

	Email :raikeymandeep4@gmail.com				
18.	Bhagat Rubber & Chemicals CO. #7, Mission Compound, Adj., Radha Soami, Satsang Bhawan, Jalandhar	10,79,004	10,79,004	10,79,004	-
19.	Jindal Saw Mills VillKhakhli, Haryana Road, Hoshiarpur	6,12,283	6,10,390	6,10,390	-
20.	Mahalaxmi Overseas RR-21, First Floor, Mianwali Nagar, Paschim Vihar, New Delhi-110087	35,26,297	41,25,087	30,56,180	-
21.	Patial Lubricants Village Muffival, PO Rajpura, Teh- Nalagarh, Distt Solan HP-174101	85,491	85491	85,491	-
22.	Shree Clicking Dies E-106, sector-63 Noida-201301	67,142	70,682	67,142	-
23.	Shree Lace Industries E-106, sector-63 Noida-201301	5,61,262	8,53,667	5,61,262	-
24.	L&E INDIA PVT. LTD. A-200, Noida, UP-201301	19,14,867	29,74,282	24,79,988	
25.	Doon Chemicals 313/12A, Inderlok, Delhi-110035	10,13,311	16,12,468	16,12,468	-
26.	Trims Studio Plot No D7 Sector A7 Part 1 Trans Delhi Signature City U.P.-201102 India	10,75,778	9,50,937	9,50,937	-
27.	Sarabjit Singh Banga #505, Sector-1, Type-2, Naya Nangal, Distt-Rupnagar Punjab.	6,88,139	7,45,000	6,88,139	-
28.	Lomber Bus Service ,Prop VillTubba P.O. Haibowal Teh Garhshanka Distt. Hoshiarpur Punjab	4,78,988	9,74,071	9,74,071	-
29.	Saras packaging	5,94,825	5,94,825	5,94,825	-
30.	Active Clothing Company Limited	9,72,487	11,50,890	11,50,890	-
31.	Chowdhry Rubber and Chemicals Pvt Ltd	3,49,088	4,81,412	4,81,412	
	Total	19721131	27118699	23831332	-

CLAIMS OF STATUTORY AUTHORITY

S.No	Name of Operational Creditor	Book Balance as on CIRP Date	Amount claimed	Claim Amount Verified	Claimed Amount Under Verification
1	Assistant Commissioner of Income Tax Room No.214, 2 nd Floor, Aaykar Bhawan, Sector-17 E, Chandigarh	-	1,09,04,270	1,09,04,270	-
2	Assistant Commissioner of Customs EPCG Monitoring Cell, JNCH, Nhava Sheva, Raigad (Maharashtra)	-	6,70,153	6,70,153	-
3	Employees Provident Fund Organisation Block no. 34, 1 st and 2 nd Floor, SDA complex, Kasumpti, Shimla HP -171009	-	64,24,676	64,24,676	-
	Total	-	17,999,099	17,999,099	-
4	Assistant Commissioner of Excise & Taxation Plot No. 1-3, Sector-5 Panchkula 2.0 Dy Commissioner (ST), C-1, Infocity , Sector-	The claim amounted Rs 737289 has been wrongly addressed to S R Industries Limited. Therefore the same has not been considered			
5	Employee State Insurance Corporation	The claim amounted Rs 33073 has been wrongly addressed to S R Industries Limited. Therefore the same has not been considered			

ANNEXURE 2 C

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

List of Form D received from Workers and employees

S.No	Name of Operational Creditor	Address	Claims Amount Received	Claim Verified (Rs)	Amount of claim not admitted (Rs)	Claim Amount Under Verification (Rs.) INR
1.	Shavinder Kumar	House No. 992, Panchkula- 134112 Sector 21,	178531	178531	0	0
2.	Ravesh Sharma	VPO Katohar Khurd, Tehsil AMB, Kathauhar Khurd (152), Kataur Khurd, Una, Himachal Pradesh-177203	61040	61040	0	0
3.	Chander Mohan Pandey	House no 300A Gali no 3 Krishna Puri , Mandawali Delhi 110093	433689	353689	80000	0
		Total	673260	593260	80000	0

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

PARTICULARS OF DEBT DUE TO THE CORPORATE DEBTOR WITH RESPECT TO REALTED PARTIES REGULATION 36 (2) (e)

S No	Name	Amount
NIL		

PARTICULARS OF DEBT DUE FROM THE CORPORATE DEBTOR WITH RESPECT TO REALTED PARTIES REGULATION 36 (2) (e)

S No	Name	Relation	Nature of dues	Amount
1.	Mr Amit Mahajan	Director	Unsecured Loan	4,57,86,348
2.	Mr Munish Mahajan	Director	Unsecured Loan	71,31,009
	Total			5,29,17,357

ANNEXURE 4**INFORMATION MEMORANDUM**

(Pursuant to section 29 of IBC read with regulation 36 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

DETAILS OF GUARANTEES THAT HAVE BEEN GIVEN IN RELATION TO THE DEBTS OF THE CORPORATE DEBTOR BY OTHER PERSONS, SPECIFYING WHICH OF THE GUARANTORS A RELATED PARTY IS.- REGULATION 36 (2) (F) OF IBBI (CIRP) REGULATION, 2016

S No	Name	Relation	Nature of Guarantee
1.	Sh.R.C.Mahajan	Ex-Director	Personal Guarantee
2.	Sh.Amit Mahajan	Director	Personal Guarantee
3.	Smt.Suman Mahajan	W/o R.C.Mahajan	Personal Guarantee
4.	Smt Sangeeta Mahajan	Director	Personal Guarantee
5.	Sh.Munish Mahajan	Director	Personal Guarantee
6.	Sh.Amit Mahajan	Director	Personal Guarantee

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021

DETAIL OF MEMBERS OR PARTNERS OF CORPORATE DEBTOR REGULATION 36 (2) (G) AS ON 31-03-2020**Equity Shareholders**

Sr. No	Name	No of Shares Held	Value Per Share	Amount of Shares held	% Shareholding
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Promoters Shareholding

1.	AMIT MAHAJAN	13,50,313	10	1,35,03,130	6.86%
2.	RAMESH CHANDER MAHAJAN	5,10,800	10	51,08,000	2.60%
3.	AMIT MAHAJAN	4,11,450	10	41,14,500	2.09%
4.	ANUJ MAHAJAN	4,06,250	10	40,62,500	2.06%
5.	UNIVERSAL CYBER INFOWAY LIMITED	3,93,177	10	39,31,770	2.00%
6.	PRIDE PROPERTIES PRIVATE LTD	3,12,675	10	31,26,750	1.59%
7.	SUSANG MAC PRIVATE LIMITED	2,59,500	10	25,95,000	1.32%
8.	SUMAN MAHAJAN	1,85,100	10	18,51,000	0.94%
9.	MUNISH MAHAJAN	10,000	10	1,00,000	0.05%
	Total	38,39,265		3,83,92,650	19.51%

Individual Shareholders having more than 1% Shareholding

10.	GITA KIRTI AMBANI	11,02,500	10	1,10,25,000	5.60%
11.	UDAYAN SHANKARRAO GADAKH	9,80,000	10	98,00,000	4.98%

12.	AVINASH SUDHAKAR FOUJDAR	3,47,685	10	34,76,850	1.77%
13	ANITA HITESH JAIN	3,45,092	10	34,50,920	1.75%
14	V RAJKUMARI	3,06,250	10	30,62,500	1.56%
15	DIPAK KANAYALAL SHAH	3,00,000	10	30,00,000	1.52%
16	SAHIL KAKKAR	2,53,711	10	25,37,110	1.29%
	Total	36,35,238		3,63,52,380	18.48%
Shareholders - Body Corporate					
17	KHEMANI DISTRIBUTORS AND MARKETING LTD	68,000	10	6,80,000	0.35%
18	UNIMATE INVESTMENT & CONSULTANCY (P)LTD.	50,000	10	5,00,000	0.25%
19	ALB SHARES TRADING COMPANY LTD.	42,500	10	4,25,000	0.22%
20	VIKHYAT MERCANTILES & CREDITS PVT. LTD.	34,600	10	3,46,000	0.18%
21	EXCEL STOCK BROKING PVT. LTD.	29,500	10	2,95,000	0.15%
22	NEW WAVE FINANCIAL SERVICES PVT.LTD.	25,000	10	2,50,000	0.13%
23	CARE UNIPAC PVT.LTD	25,000	10	2,50,000	0.13%
24	NIKU MERCANTILE PVT.LTD.	21,450	10	2,14,500	0.11%
25	YAVI FINANCIAL CONSULTANAT PVT LTD	10,000	10	1,00,000	0.05%
26	KHATUWALA SHARES PVT LTD	6,000	10	60,000	0.03%
27	HMS PVT LTD	5,862	10	58,620	0.03%
28	PASHUPATI CAPTIAL SERVICES PVT LTD	5,000	10	50,000	0.03%
29	GIRDHAR FISCAL SERVICES PVT LTD	4,000	10	40,000	0.02%
30	CORONATION SPINNING INDIA PVT LTD	3,000	10	30,000	0.02%
31	LUSIN OVERSEAS PVT.LTD	2,900	10	29,000	0.01%
32	G C JAIN INVESTMENTS (P) LTD.	1,700	10	17,000	0.01%
33	A P COMMERCIAL P LTD.	1,600	10	16,000	0.01%
34	PANTHER RUBBER PVT LTD	1,500	10	15,000	0.01%
35	DURGA OVERSEAS PVT.LTD.,	1,000	10	10,000	0.01%
36	NAYYAR LEASING & FINANCE PVT. LTD.	1,000	10	10,000	0.01%
37	SUN STEER PVT LTD	1,000	10	10,000	0.01%
38	FINBRAINS COMMODITIES BROKERS PVT LTD	1,000	10	10,000	0.01%
39	VIKSON SECURITIES PVT LTD	1,000	10	10,000	0.01%

40	PAUL MERCHANTS LTD.	1,000	10	10,000	0.01%
41	ADITYA FINANCIAL SERVICES(P) LTD	1,000	10	10,000	0.01%
42	L.F.C. SECURITIES PVT. LTD	850	10	8,500	0.00%
43	MODANI SECURITIES PVT LTD	850	10	8,500	0.00%
44	JINDAL SAXENA FINANCIAL SERVICES(P) LTD	600	10	6,000	0.00%
45	PITON SECURITIES PVT LTD	600	10	6,000	0.00%
46	KAMLESH LEASING & FINANCE PVT. LTD	500	10	5,000	0.00%
47	TRAK LEATHER PVT LTD	400	10	4,000	0.00%
48	MASTER SHARE & STOCK BROKERS LTD	300	10	3,000	0.00%
49	PUNEET FINANCIAL SERVICES LTD	300	10	3,000	0.00%
50	AAKRITI SECURITIES PVT. LTD.	300	10	3,000	0.00%
51	HPMG SHARES & SECURITIES PVT LTD	250	10	2,500	0.00%
52	MANKAMAL TRADING PVT LTD	200	10	2,000	0.00%
53	TRANS GLOBAL HOLDING(P) LTD	100	10	1,000	0.00%
54	RCS SECURITIES PVT LTD.	100	10	1,000	0.00%
55	ARAVALI DAIRY & FOOD PRODUCTS P LTD	100	10	1,000	0.00%
56	HDFC SECURITIES LTD	100	10	1,000	0.00%
57	3A CAPITAL SERVICES LTD	100	10	1,000	0.00%
58	ANCIENT COMMODITIES PVT LTD	100	10	1,000	0.00%
59	ASHWARYA TRADING PVT LTD	100	10	1,000	0.00%
60	OCEANA COMMERCE PVT LTD	100	10	1,000	0.00%
61	TAPURIAH SECURITIES PVT LTD	100	10	1,000	0.00%
62	RADHIKA COMMERCIAL PVT LTD	100	10	1,000	0.00%
63	CHANDRODAY MERCANTILES PVT LTD	100	10	1,000	0.00%
64	BENTICK COMMERCE PVT LTD	100	10	1,000	0.00%
65	BRABOURNE COMMERCE PVT LTD	100	10	1,000	0.00%
66	Dover Trading Pvt. Ltd.	100	10	1,000	0.00%
67	LAKEDA HOLDING PVT LTD	100	10	1,000	0.00%
68	HEBE FINANCIAL SERVICES PVT. LTD.	25	10	250	0.00%
69	CENTRE FOR MONITORING INDIAN ECONOMY PVT LTD	1	10	10	0.00%

	Total	3,51,288		35,12,880	1.79%
70	OTHER SHAREHOLDERS (BELOW 1% SHAREHOLDING)	1,18,47,709	10	11,84,77,090	60.22%
Total Equity Shareholding		1,96,73,500	10	19,67,35,000	100%

Preference Shareholding pattern					
S.No	Name	No of Shares Held	Value Per Share	Value of Shares held	% Shareholding
1	Amit Mahajan S/o Late Sh. Y.D. Mahajan	5,69,481			39.01%
2	Pride Properties Private Limited	1,42,400			9.75%
3	Beckons Industries Private Limited	75,000			5.14%
4	Universal Cyber Infoways Private Limited	4,36,350			29.89%
5	R.C. Mahajan	87,500			5.99%
6	Amit Mahajan S/o R.C. Mahajan	75,269			5.16%
7	Krishna Garden Private Limited	74,000			5.07%
	Total	14,60,000			100%

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.)

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Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2021
Audited Financial Statement of Last Years	31-03-2020, 31-03-2019
Provisional Financial Statement of CIRP Date	21.12.2021

DETAIL OF MATERIAL LITIGATION & INVESTIGATION INITIATED AGAINST CORPORATE DEBTOR REGULATION 36 (2) (h)

CASES FILED AGAINST THE CORPORATE DEBTOR

S.No	Case Category	Court	Petitioner(s)	Case No.
1	Insolvency	National Company Law Tribunal	Jaspal Singh, Proprietor of Creative Arts	CP(IB)No.305/Chd/Pb/201 9
2	Insolvency	National Company Law Tribunal	Jaspal Singh, Proprietor of Creative Arts	CP(IB)No.305/Chd/Pb/2019
3	Insolvency	National Company Law Tribunal	Sh. Jai Pal Singh	CP(IB)No/CHD/pb/2019
4	Insolvency	National Company Law Tribunal	Sh. Jai Pal Singh	CPIB305/CHD/pb/2019
5	Loan Recovery	Debts Recovery Tribunal Chandigarh (DRT-2)	UCO BANK	OA/2237/2019
6	Civil Cases	Civil Judge Senior Division, Chandigarh	Singla hardware store through its prop. Sh. JeewanKumar s/o sh. Mohan Lal	CS CJ/1707/2016
7	Civil Cases	District and Sessions Court, Chandigarh	M/S Aggarwal Electrical Store	CA/81/2020

8	Civil Cases	District and Sessions Judge, North, RHC	Ritu Jain	CS DJ/1950/2016
9	Civil Cases	High Court of Punjab and Haryana	Colorband dyestuff pvt. Ltd.	CA-12-2012
10	Civil Cases	High Court of Punjab and Haryana	M/S Singla Hardware Store andAnr	CA-136-2013
11	Civil Cases	High Court of Punjab and Haryana	M/Z topaz texchem p. Ltd.	CA-633-2011
12	Civil Cases	High Court of Punjab and Haryana	M/S Singla Hardware Store andAnr	CA-635-2011
13	Civil Cases	High Court of Punjab and Haryana	M/S Singla Hardware Store andAnr	CA-636-2011
14	Civil Cases	High Court of Punjab and Haryana	Colorband dyestuff Pvt. Ltd.	CA-663-2011
15	Civil Cases	High Court of Punjab and Haryana	M/S Singla Hardware Store	CA-743-2012
16	Consumer Disputes	National Consumer Redressal Commission	United India Insurance Company	RP/2936/2016
17	NI Act / Company Offences Magistrate	Chief Metropolitan Esplanade Courts Mum	Edelweiss Retail Finance Limited TH MRS Rashida Kherodawala	Misc cases MISC/1302/2018 Misc cases
18	NI Act / Company OffencesMagistrate	Chief Metropolitan Esplanade Courts Mum	Edelweiss Retail Finance Limited TH MRS Rashida Kherodawala	MISC/1306/2018 Misc cases MISC/1302/2018
19	NI Act / Company Offences Magistrate,	Chief Metropolitan Esplanade Court, Mumbai	Edelweiss Retail Finance Limited TH MRS Rashida Kherodawala	Misc cases MISC/1306/2018
20	NI Act / Company Offences Magistrate,	Chief Metropolitan Esplanade Court, Mumbai	Edelweiss Retail Finance Limited TH MRS Rashida Kherodawala	ITA-52-2016
21	Taxation Matters	High Court of Punjab and Haryana	PR Commissioner Of Income	ITA-52-2016
22	Applications	National Consumer Disputes Redressal	Chitresh Cold Storage Pvt. Ltd.	IA/110/2014
23	Applications	National Consumer Disputes Redressal	2014 United India Insurance Company	IA/11929/2016
24	Applications	National Consumer Disputes Redressal	2014 United India Insurance Company	IA/9893/2016
CASES FILED BY THE CORPORATE DEBTOR				
S.No	Name ofRespondent	Case No.	Court	Type (Name)

1	Civil Cases	High Court of Gujarat	Taluka land Revenue Recovery Officer and Taluka Development Officer, Paraiya fabrics Pvt. Ltd(deleted),Gujarat state financial corporation,BabubhaiBachubhaipathan, Jahangirkhan Rahim Khan	SCA/8433/2014
2	Civil Cases	High Court of Punjab and Haryana	Kishan Kumar &Anr	CM-11619-CWP-2014
3	Civil Cases	High Court of Punjab and Haryana	Haryana roadways engg. Corp. &ors	CM-24636-CII-2008
4	Civil Cases	High Court of Punjab and Haryana	Commissioner Of Central Excise	CM-24642-CII-2013
5	Taxation Matters	High Court of Punjab and Haryana	Commissioner Of Central Excise	CEA-102-2013
6	Writs and Regulatory	High Court of Allahabad	The state of u.p. Thru secy. And others	WRIC/138/2013
7	Writs and Regulatory	High Court of Punjab and Haryana	P SEB and ors.	RA-CW-416-2006
8	Writs and Regulatory	High Court of Rajasthan - Jodhpur	Raj. Financial Corpn. &Anr	CW/3205/2014

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2021
Audited Financial Statement of Last Years	31-03-2020, 31-03-2019
Provisional Financial Statement of CIRP Date	21.12.2021

NUMBER OF WORKERS AND EMPLOYEES AND LIABILITIES OF THE CORPORATE DEBTOR TOWARDS THEM - REGULATION 36 (2) (i) OF IBBI (CIRP) REGULATION, 2016

Book Liability

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC, 2016 read with regulation 36 (2)(j) of the IBBI (Insolvency resolution process for Corporate person) Regulations, 2016)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-2021
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021
Company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the corporate debtor such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other pre-existing facilities- Regulation 36 (2) (j)	

CARRIED FORWARD LOSSES /BROUGHT FORWARD LOSSES

FINANCIAL YEAR	ASSESSMENT YEAR	AMOUNT	DATE OF FILLING OF ITR
2012-13	2013-14	3,68,85,265	9/10/2013
2013-14	2014-15	NIL	9/29/2014
2014-15	2015-16	NIL	9/19/2015
2015-16	2016-17	NIL	9/12/2016
2016-17	2017-18	NIL	10/25/2017
2017-18	2018-19	NIL	9/30/2018
2018-19	2019-20	13,02,65,376	10/19/2019
2019-20	2020-21	3,40,01,100	11/26/2020
2020-21	2021-22	2,79,46,827	2/25/2022
2021-22	2022-23	2,49,02,601	10/26/2022
Total		254001169	

UNABSORBED DEPRICIATION		
FINANCIAL YEAR	ASSESSMENT YEAR	AMOUNT
2011-12	2012-13	168579291.00
2012-13	2013-14	20435704.00
2013-14	2014-15	0.00
2014-15	2015-16	0.00
2015-16	2016-17	6755279.00
2016-17	2017-18	0.00
2017-18	2018-19	0.00
2018-19	2019-20	9908398.00
2019-20	2020-21	8924861.00
2020-21	2021-22	7803188.00
Total unabsorbed Depreciation		222406721.00

INPUT CREDIT OF GST				
As on CIRP date i.e 21.12.2021- GSTIN- 03AACCS0436K1ZN-(Mohali)				
Type of Ledger / Register	IGST	CGST	SGST	CESS
Electronic Cash Ledger	0	0	0	0
Electronic Liability Register (Return related)	0	0	0	0
Electronic Credit Ledger	86990	55294	55294	0

Total ITC - 86990 + 55294 + 55294 = Rs 197578/-

As on Current date i.e 24.04.2023- GSTIN- 03AACCS0436K1ZN-(Mohali)				
Type of Ledger / Register	IGST	CGST	SGST	CESS
Electronic Cash Ledger	0	0	0	0
Electronic Liability Register (Return related)	0	0	0	0
Electronic Credit Ledger	87005	55294	55294	0

Total ITC - 87005+ 55294 + 55294 = Rs 197593/-

As on CIRP date i.e 21.12.2021- GSTIN- 02AACCS0436K2ZO-(UNA)				
Type of Ledger / Register	IGST	CGST	SGST	CESS
Electronic Cash Ledger	903	7	7	0
Electronic Liability Register (Return related)	0	0	0	0
Electronic Credit Ledger	2698064	283663	315294	0

Total ITC - 2698064+ 283663 + 315294 = Rs 3297021/-

As on Current date i.e 24.04.2023- GSTIN- 02AACCS0436K2ZO-(UNA)				
Type of Ledger / Register	IGST	CGST	SGST	CESS
Electronic Cash Ledger	903	7	7	0
Electronic Liability Register (Return related)	0	0	0	0
Electronic Credit Ledger	3575494	412997	444628	0

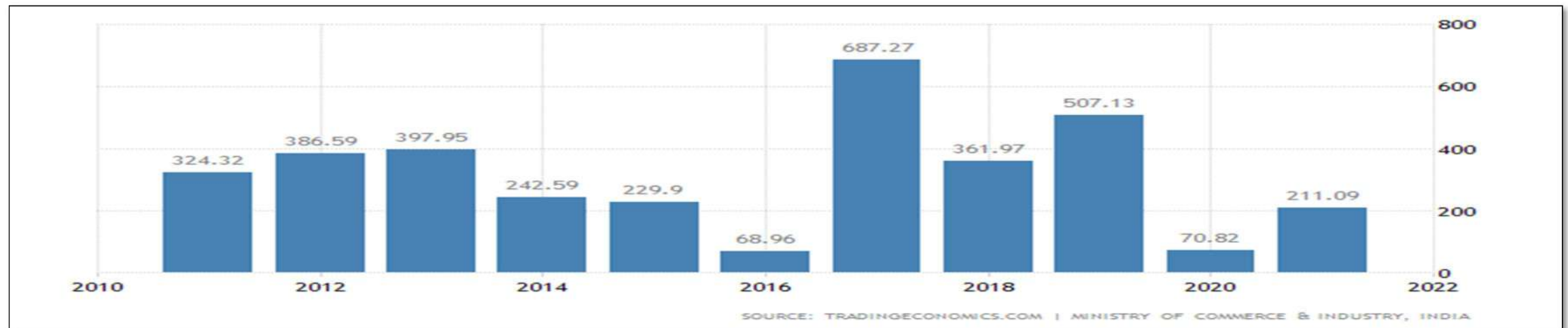
Total ITC - 3575494 + 412997 + 444628 = Rs 4433119/-

Annexure-9	
INFORMATION MEMORANDUM	
<i>(Pursuant to section 29 of IBC, 2016 read with regulation 36 (2)(j) of the IBBI (Insolvency resolution process for Corporate person) Regulations, 2016)</i>	
Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-2021
Latest Audited Annual Financial Statement available	31-03-2022
Audited Financial Statement of Last Years	31-03-2021, 31-03-2020
Provisional Financial Statement of CIRP Date	21.12.2021
Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements- Regulation 36 (2) (k)	
<u>INDUSTRY SCENARIO- FOOTWEAR INDUSTRY</u>	

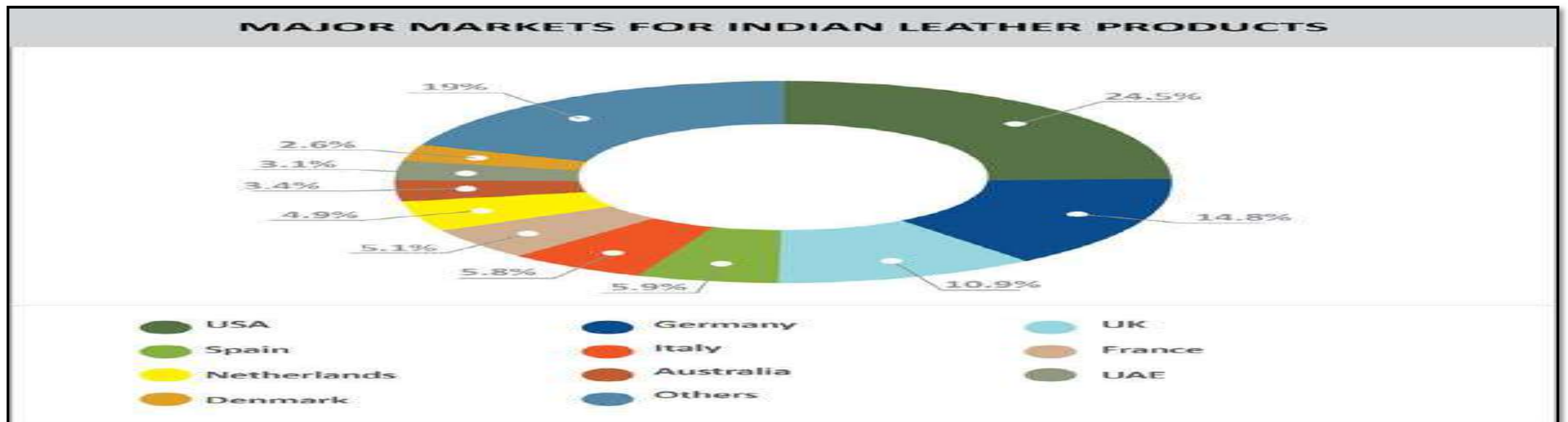
India has state-of-the-art manufacturing plants. The footwear sector has matured from the level of the manual footwear manufacturing method to the automated footwear manufacturing systems. Footwear production units are installed with world class machines. Manned by skilled technicians, these machines help to turn any new innovative idea into reality. Support systems created for the sector have indeed served the footwear industry well. India has a well-developed footwear component manufacturing industry. The future growth of the footwear industry in India will continue to be market-driven, and oriented towards EU and US markets. With technology and quality of the footwear improving year after year, Indian Footwear industry is stamping its class and expertise in the global footwear trade.

The major production centres in India are Chennai, Ranipet, Ambur in Tamil Nadu, Mumbai in Maharashtra, Kanpur in U.P., Jalandhar in Punjab, Agra, Delhi, Karnal, Ludhiana, Sonapat, Faridabad, Pune, Kolkata, Calicut and Ernakulam. About 1.10 million are engaged in the footwear manufacturing industry. . Footwear exported from India are Dress Shoes, Casuals, Moccasins, Sport Shoes, Horrachies, Sandals, Ballerinas, Boots, Sandals and Chappals made of rubber, plastic, P.V.C. and other materials.

India Exports of Footwear 2021 Data, 2022 Forecast.



Share of each Segment in Total Production Volume(FY21)



Nature of the Manufacturing Industry

The footwear sector is a very significant segment of the leather industry in India; rather it is the engine of growth for the entire Indian leather industry. India is the second largest global producer of footwear after China, accounting for 13% of global footwear production of 16 billion pairs. India produces 2065 million pairs of different categories of footwear (leather footwear - 909 million pairs, leather shoe uppers - 100 million pairs and non-leather footwear - 1056 million pairs). India exports about 115 million pairs. Thus, nearly 95% of its production goes to meet its own domestic demand.

Goods and services.

Operators in the Global Footwear Manufacturing industry manufacture a wide range of footwear for men, women and children. These companies manufacture rubber and plastic footwear; plastic or fabric uppers; and rubber and plastic protective footwear. Operators in this industry also manufacture house slippers and slipper socks. Operators may manufacture men's or women's footwear designed for dress, street or work.

Industry Products and Services

- Men's footwear
- Women's footwear
- Children's footwear
- Sonstige

Industry Activities

- Women's footwear (except athletic) manufacturing
- Men's footwear (except athletic) manufacturing
- Athletic footwear manufacturing
- Rubber and plastic footwear manufacturing
- Children's shoes manufacturing
- Other footwear manufacturing
-

IBIS World reports on thousands of industries around the world. Our clients rely on our information and data to stay up-to-date on industry trends across all industries. With this IBIS World Industry Research Report on Global Footwear Manufacturing Industry, you can expect thoroughly researched, reliable and current information that will help you to make faster, better business decisions.

Industry Organization

The Indian Footwear Components Manufacturers Association (IFCOMA) is a registered body under the Societies Registration Act and is the only trade association of Component Manufacturers in India. It is a non-profit organization managed by a duly elected apex body called the Executive Committee.

Recent Developments

- Job creation is arguably one of the most important parameters to judge how successful a government has been in envisaging and implementing its economic policies. The micro, small and medium enterprises sector is one of the major employment generators in several sectors while footwear segment is no exception employing nearly 1.3 million people.
- Since footwear always has and continues to play an important role in complementing any fashion trend that comes by, whether it is professional, semi-formal or routine, hence the biggest advantage that a career in the footwear industry comes with is that of being non-seasonal and always evolving. Footwear industry offers a variety of bright career options as footwear designer, Product Developers, Footwear Technologists, Marketing Executives, Quality Controllers, Merchandisers, Planning Executives, Trend Analysts etc. Most significantly, the footwear sector has also been instrumental in developing a spirit of entrepreneurship in the country, living upto the time-tested adage of poverty alleviation through self-sufficiency. Those having a knack of creativity and forte for innovation have hit fortunes in the sector by introducing their own shoelines under registered labels.

Government Initiatives

Ministry of MSME in India introduced clustering across footwear sector to establish co-operation and joint strategy among the firms and also from the government for the subsistence and growth of the SME sector. The Agra shoe industry is one of the largest leather- footwear clusters with Central Footwear Training Institute and MSME DI Agra as the major stakeholders in the Agra footwear cluster. Agra is the largest footwear manufacturing hub in India with a colossal annual manufacturing value. Cluster development activities in footwear industry has given major boost to private capital flow in the organized segment and enhance capacity to keep pace with future growth prospects.

While prospects for India's Leather footwear industry has brightened in view of declining production of leather footwear in the Western European countries, the industry in India has to go in for substantial capacity enhancement in order to fully utilize this opportunity. However, it is disheartening to note that India's export share to world import for leather footwear hovers around 2-3 percent only given the potential of Indian footwear makers.

Footwear styling and growth

The historical background identifies the transformation of Footwear from commodity to image, attitude and lifestyle. India being a country of artisans has always been looked upon for its traditional craft of footwear making. Some of the traditional footwear created by village craftsmen include leather chappals in Kohlapur, embroidered Juttis in Jodhpur, Indo-Tibetan felt boots in Sikkim and vegetable fibre shoes in Ladakh. The footwear industries using traditional methods of manufacture, has clearly taken technology to heart in recent decades, and this has greatly benefited both shoemakers and shoe wearers. Since India is such a diverse nation, the types of traditional footwear found all over the country are

diverse too. Small and Medium enterprises in India have a major role to play in the development and advancement of the footwear sector through sustaining and enhancing their export contribution vis-a-vis development of clustering and many more such activities.

- The increasing penetration of internet and social media to the lives of Indian consumers has dramatically evolved their shopping behaviours. Urbanisation is also a major contributor to influencing buying habits of consumers. Rising brand consciousness and increasing discretionary incomes has resulted in enormous growth in footwear consumption. Consequently, it can be inferred that footwear besides being part of wardrobe, has also become a huge status symbol these days.
- Growing competition among global players is paving the way for the development of innovative footwear with a focus on improving user-experience. The latest technology that is gaining popularity is the use of polyurethane capsules in the manufacture of athletic footwear. Some shoes are also being manufactured with built-in sensors to track the speed, distance covered, and calories burned. There is some innovative running shoe which boasts of a carbon-fiber spring-like flange under the sole that helps propel a runner forward. Growing preference for premium and customized products has kickstarted the trend of customized shoes. Many international brands have launched facilities which allow consumers to customize their shoes with patriotic prints of their preference.

ROAD AHEAD

- India is the second largest global producer of footwear after China, accounting for 13% of global footwear production of 16 billion pairs.
- India produces 2 billion pairs of different categories of footwear constituting almost equal percentage of leather and non-leather footwear.
- India is the third largest Footwear consuming country after China and USA with consumption of nearly 1.66 pairs while average global consumption is 3.0 pairs.
- There are nearly 15000 units engaged in manufacturing footwear in India with total turnover estimated at Rs. 50,000 crore including Rs 32,000 Crores for Domestic market and Rs 18,000 Crores for exports.

ANNEXURE 10

INFORMATION MEMORANDUM

(Pursuant to section 29 of IBC read with regulation 36 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.)

Name of the Corporate Debtor	S R Industries Limited
Name of the RP	Rajender Kumar Jain
Insolvency Commencement date	21-12-21
Latest Audited Annual Financial Statement available	31-03-2021
Audited Financial Statement of Last Years	31-03-2020, 31-03-2019
Provisional Financial Statement of CIRP Date	21.12.2021

OTHER INFORMATION - REGULATION 36 (2) (L) OF IBBI (CIRP) REGULATION, 2016

CURRENT LIABILITIES AS ON CIRP DATE I.E 21.12.2021

STATUTORY DUES PAYABLES

Particulars	Amount(Rs)	Claim Received
EPF Employees Contribution	22,216	No
EPF Payable	269,176	No
ESI Payable	97,864	No
ESI Payables	28,987	No
TCS Payable	17,868	No
TDS (Contracts to Others)	16,377	No
TDS (Professionals Services)	23,205	No
TDS (Professionals Services)	31,322	No
TDS ON INTEREST	66,810	No
Total	573,825	

TRADE PAYABLES - OTHERS

Particulars	Amount(Rs)	Claim Received
Duggal Sewing Machine India	3,658	No
Jupiter Tanning Company	69,014	No
Kaagaz International	9,293	No

Leading Leasing Investment	50,000	No
Link Intime India Pvt. Ltd	82,103	Yes
Local Purchase	795	No
Lomber Bus Service	478,988	Yes
Mithras Consultants	18,880	No
New Compitent Printing Solution	28,502	No
NGG power tech indiapvt Ltd	65,655	No
Nishad Enterprises	213,558	No
Rajiv Phylon Pvt.ltd	11,265	No
Sarabjit Singh Tour & Travels	688,139	Yes
Sharma Bus Service	360,245	No
Sharma Sales Corporation	73,591	No
Shree Clicking Dies	67,142	Yes
Total	2,220,828	
TRADE PAYABLES - RAW MATERIAL		
Particulars	Amount(Rs)	Claim Received
AaryanLamifabpvt Ltd	1,396,120	No
Active Clothing Co Limited	972,487	Yes
Active Clothing Company Pvt Ltd	3,072	No
Ajooni Biotech Ltd	900,000	No
Allure Enterprises Pvt. Ltd.	255,800	No
Ambay Industries Jalandhar	428,889	No
AmbestenPackagings	129,687	Yes
AMS Components Industries	(1,120)	No
AMS Narula Label P. Ltd.	457,919	No
AMS Polymers Limited	873,463	No
APN Printers	213,069	No
Arihant Enterprieses chandigarh	60,303	No
Arishma Plastics	152,248	No
Total	5,841,938	
OTHER LIABILITIES AND PAYABLES		

Particulars	Amount(Rs)	Claim Received
Athena Law Associates	270,000	No
B.M.Enterprises	82,045	No
B.R. Machine Tools	2,596	No
Balaji Stationary Thaliwal	3,609	No
Benz International	2,800	No
Car 24	17,181	No
Central Depository Services (I) Ltd	7,137	No
Chhabra Enterprises	38,051	No
Continental Petrochem	16,539	No
D.K.Engineering	22,125	No
Digital Enterprises	3,100	No
Director's Remuneration Payable	544,350	No
Expenses Payable	625,972	No
Expenses Payable	46,314	No
Export Obligation Payable	1,531,742	No
Fine Airconditioning Corporation	31,800	No
Fine Footwear Pvt Ltd	31,426	No
Gaurav Traders	6,160	No
Goyal Chem Associates	7,552	No
Gupta Trading Company	5,600	No
Hari Om Trading Co.	850	No
I-C.M. Pandey	38,575	No
I-Firdous Alam	52,013	No
I-Rajesh Kaushal	12,171	No
I-Rajesh Kaushal (Advance)	190,077	No
I-Ram Pal 72001	650	No
I-Ravesh Sharma	60,991	Yes
I-Sanjeev Sharma HRD(10002)	178,448	No
I-shavinder Kumar	268,185	Yes
I-Sugreev Yadav 10372	(85,000)	No

Joshi Transport & Cargo Service	126,222	No
KDA corporate advisors LLP	8,500,545	Yes
Om Traders	2,183	No
Onkar & Co.	2,065	No
Parmar Electrical Works	4,933	Yes
Prashanti Enterprises Pvt. Ltd.	2,596	No
Pyramid Consultants	18,000	No
R Enterprises	78,960	No
Rahul Enterprises	7,000	No
Ram Advertising Limited	48,205	No
Rashi Cooling Towers (P) Ltd.	1,180	No
Ravinder Kumar Mukhi	20,000	Yes
Ravinder Singh	1,375,877	No
Rawat Hardware & Mill Store	7,035	No
Rent Payable Mohali	13,000	No
Rent Payable(Guesthouse)	60,000	No
Rohit Prashad (C)	7,723	No
Salary & Wages Payable	1,350,153	No
Salary & Wages Payable	75,637	No
Salary & Wages Payable (Sup)	2,233,242	No
Saroj Enterprises	19,234	No
Shri Shyam Engineering Works	20,709	No
Sidharth Agencies	69,335	No
S-Munitsh Mahajan (VP)	360,000	No
S-Neha Aggarwal (CS)	32,800	No
Square Packaging	23,930	No
S-Raj Kumar (Token No.-10236)	39,291	No
Srijati Shoe Pvt.Ltd.	10,074	No
SS Threads	4,480	No
Sudarshan Measuring & Engineering(P)Ltd.	6,490	No
Sunil Tempo Service	8,400	No

Super Engineering Works	6,609	No
Thakur Industries Gwalthai	24,100	No
The Beet Area Tempo &Trax Op Union	347,500	No
Trims Studio-UP	1,075,778	Yes
Total	19,996,345	
Grand Total	28,632,935	

S.R. INDUSTRIES LIMITED Provisional Balance sheet as at December 21, 2021 All amounts in Indian Rupees , except as otherwise stated CIN: L29246PB1989PLC009531			
	Notes	As at December 21, 2021	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	153,842,874	166,842,363
Financial Assets			
(i) Security deposits	4	1,119,215	1,119,215
		154,962,089	167,961,578
Current assets			
Inventories	5	25,428,176	27,931,547
Financial Assets			
(i) Trade Receivables	6	68,100,320	56,847,082
(ii) Cash and Cash Equivalents	7	455,807	455,658
(iii) Bank Balance other than (ii) above	7	-	-
(iv) Loans and Advances	4	17,210,886	14,628,463
(v) Others	8	5,232,286	2,964,735
		116,427,476	102,827,485
Assets held for sale		-	-
		116,427,476	102,827,485
Total Assets		271,389,564	270,789,063
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9	196,457,000	196,457,000
Other Equity			
(i) Equity Component of Compound Financial Instrument	9	98,111,062	98,111,062
(ii) Reserve & Surplus	10	(592,333,647)	(554,674,157)
(iii) Other Reserves	10	17,268,900	17,268,900
		(280,496,685)	(242,837,195)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	81,676,286	61,308,848
(ii) Others		-	-
Provisions	12	3,544,399	3,827,522
Deferred Income	13	9,600,428	9,971,728
Deferred Tax Liability (Net)	14	-	-
		94,821,113	75,108,098
Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	231,346,776	231,433,841
(ii) Trade payables	16		
-Total outstanding dues to micro and small enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		69,200,060	67,386,598
(iii) Other Financial Liabilities	11	134,002,815	125,971,431
Provisions	12	460,114	453,653
Deferred Income	13	1,485,201	1,485,201
Other Current Liabilities	15	20,570,171	11,787,435
		457,065,137	438,518,159
Total Equity & Liabilities		271,389,564	270,789,062
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

Place: Chandigarh
Date: 21.12.2021

CS. Neha Aggarwal
Comapany Secretary
PAN: ALCPA1877C

S.R. INDUSTRIES LIMITED			
PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 21st DECEMBER, 2021			
(All amounts in Indian Rupees, except as otherwise stated)			
CIN: L29246PB1989PLC009531			
	Notes	For the Period ended 21/12/2021	For the Year ended 31/03/2021
INCOME			
Revenue from Operations	17	109,073,602	74,490,202
Other Income	18	3,224,867	36,534,792
Total		112,298,469	111,024,994
EXPENSES			
Cost of materials consumed	19	77,667,673	54,268,819
Changes in inventories of finished goods, work-in-progress and stock-in-trade		823,800	1,640,872
Employee benefits expense	20	17,453,116	7,044,851
Finance costs	21	25,878,761	32,794,675
Depreciation and amortization expense	3	13,600,288	18,803,428
Other expenses	22	14,534,321	24,052,296
Total		149,957,958	138,604,941
Profit/(Loss) before tax		(37,659,490)	(27,579,947)
Tax expense			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		-	(879,311)
Total tax expense		-	(879,311)
Profit/(Loss) for the year		(37,659,490)	(26,700,636)
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		-	3,381,964
Income tax effect on above		-	(879,311)
		-	2,502,653
Total comprehensive income for the year		(37,659,490)	(24,197,983)
Earnings per share in Rs.			
Basic		(1.91)	(1.36)
Diluted		(1.91)	(1.36)
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)	
per CA. Satish Goel		Munish Mahajan	
Partner		Managing Director	
		(DIN: 00818243)	
CS. Neha Aggarwal			
Company Secretary			

Membership Number: 089414

PAN: ALCPA1877C

Place: Chandigarh

Date: 21.12.2021

S.R. INDUSTRIES LIMITED			
CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 21, 2021			
All amounts in Indian Rupees , except as otherwise stated			
CIN: L29246PB1989PLC009531			
	Notes	December 21, 2021	March 31, 2021
A Cash Flow from Operating activities			
Profit before Tax		(37,659,490)	(27,579,950)
Adjustments for:			
Depreciation and amortisation Expense	3	13,600,288	18,803,429
Bad debts and advances written off, allowance for doubtful trade		256,402	11,067,348
Interest Income	19	-	(92,898)
Finance Costs	22	25,878,761	32,794,676
Liabilities/ Provisions Written back due to Actuarial Gain/(Loss)		-	3,381,964
		39,735,450	65,954,519
Operating Profit before working capital changes (1+2)		2,075,960	38,374,569
Movement in working capital :			
Trade and other receivables and prepayments		(16,359,614)	(11,428,746)
(Increase)/Decrease in Inventories	6	2,503,371	6,458,938
Increase/(Decrease) Trade and other payables and Provisions		9,948,235	(6,974,749)
		(3,908,008)	(11,944,557)
Cash generated from Operations (3+4)		(1,832,048)	26,430,012
Taxes (Paid) /Refund		-	-
Net Cash Flows from Operating Activities (5-6)		(1,832,048)	26,430,012
B Cash Flow from Investing activities:			
Purchase of Property, Plant and Equipment(PPE)	3	(600,799)	(216,779)
Proceeds from fixed deposits matured during the year	8	-	1,008,434
Interest Income	19	-	92,898
Net cash flow from /(used in) Investing activities:		(600,799)	884,553
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		(10,310,712)	(2,713,128)
Increase/(Decrease) in Interest accrued and due on Cash Credit		10,223,646	13,956,957
Increase/(Decrease) in Interest accrued and due on TL		8,031,384	9,865,850
Increase/(Decrease) in Unsecured Loans		-	(20,852,135)
Finance Costs	22	(25,878,761)	(32,794,676)
Net cash (used in) financing activities:		(17,934,442)	(32,537,132)
D Net change in cash and cash equivalents (A+B+C)		(20,367,289)	(5,222,567)
Cash and cash equivalents at the beginning of the year		455,653	5,678,220
Cash and cash equivalents at year end		(19,911,633)	455,653
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)	
per CA. Satish Goel Partner Membership Number: 089414		Munish Mahajan Managing Director (DIN: 00818243)	
CS. Neha Aggarwal Company Secretary PAN: ALCPA1877C			
Place: Chandigarh Date: 21.12.2021			

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, 2021							
Gross Carrying Amount							
Opening Gross Carrying Amount	16,375,392	74,855,454	157,439,411	15,093,348	3,053,692	20,969,201	287,786,498
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2021	16,375,392	74,855,454	157,439,411	15,093,348	3,053,692	20,969,201	287,786,498
Accumulated Depreciation							
Opening Accumulated Depreciation	-	11,620,548	71,920,505	11,909,477	2,571,006	4,119,171	102,140,707
Depreciation charge during the year	-	2,905,137	13,770,442	611,090	133,275	1,383,484	18,803,428
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2021	-	14,525,685	85,690,947	12,520,567	2,704,281	5,502,655	120,944,135
Net Carrying Amount as at 31 March 2021	16,375,392	60,329,769	71,748,464	2,572,781	349,411	15,466,546	166,842,363
Period/Year ended 21 December, 2021							
Gross Carrying Amount							
Opening Gross Carrying Amount	16,375,392	74,855,454	157,439,411	15,093,348	3,053,692	20,969,201	287,786,498
Additions	-	-	16,896	-	-	583,903	600,799
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 21 December 2021	16,375,392	74,855,454	157,456,307	15,093,348	3,053,692	21,553,104	288,387,297
Accumulated Depreciation							
Opening Accumulated Depreciation	-	14,525,685	85,690,947	12,520,567	2,704,281	5,502,655	120,944,135
Depreciation charge during the year	-	2,101,250	9,959,991	441,994	96,396	1,000,657	13,600,288
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 21 December 2021	-	16,626,935	95,650,938	12,962,561	2,800,677	6,503,312	134,544,423
Net Carrying Amount as at 30 September 2021	16,375,392	58,228,519	61,805,369	2,130,787	253,015	15,049,792	153,842,874
Net Book Value							
At 21 December 2021	16,375,392	58,228,519	61,805,369	2,130,787	253,015	15,049,792	153,842,874
At 31 March 2021	16,375,392	60,329,769	71,748,464	2,572,781	349,411	15,466,546	166,842,363
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		21-Dec-21	31-Mar-21
Unsecured, considered good		INR	INR
(a) Others Advances		17,210,886	14,628,463
(b) Security		1,119,215	1,119,215
		18,330,101	15,747,678
Current		17,210,886	14,628,463
Non Current		1,119,215	1,119,215

5. Inventories		21-Dec-21	31-Mar-21
(valued at lower of cost and net realisable value)		INR	INR
(a) Raw Materials		12,054,270	14,150,895
(b) Work-in-progress		-	-
(c) Finished Goods		867,728	1,691,528
(d) Consumable		12,063,798	11,432,148
(e) Stores and spares		442,380	656,976
Total		25,428,176	27,931,547

6. Trade receivables		21-Dec-21	31-Mar-21
Considered good		INR	INR
Secured		-	-
Unsecured		68,100,320	56,847,082
Total		68,100,320	56,847,082

The Company has written off Trade Receivables amounting to **Rs. 129.11 Lakhs** Which remained outstanding for over three years, which despite the best efforts by the management, 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 off 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		21-Dec-21	31-Mar-21
		INR	INR
(a) Bank balances on current accounts			
(i) Bank balances held as margin money or as security against:			
Guarantees		-	-
(ii) Other Bank balances		447,535	8,280
(b) Cash on hand		8,272	447,378
Total		455,807	455,658
Cash & Cash Equivalents		455,807	455,658
Bank Balance other than above		-	-

8. Other Financial Assets		21-Dec-21	31-Mar-21
		INR	INR
Unsecured, considered good			
(a) Balance with statutory/ government authorities		5,114,262	2,846,711

(b) Interest accrued on Security Deposits		118,024	118,024
		5,232,286	2,964,735
Current		5,232,286	2,964,735

9. Share Capital

9.1 Authorised Share Capital			
(a) Equity Shares		No.	INR
At 31st March, 2020		21,500,000	215,000,000
Changes during the year		-	-
At 31st March, 2021		21,500,000	215,000,000

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		15,000,000	150,000,000
Changes during the year		-	-
At 31 March 2021		15,000,000	150,000,000

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 2021		19,673,500	196,735,000
Changes during the year		-	-
At 30 June 2021		19,673,500	196,735,000

(b) Equity Component of Redeemable Preference Shares of INR 100 each issued and fully paid		No.	INR
At 31 March 2021		1,460,000	98,111,062
Changes during the year		-	-

At 30 June 2021		1,460,000	98,111,062
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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		196,457,000	278,000
Changes during the year		-	-
At 31 March 2021		196,457,000	278,000

(b) Equity Component of redeemable Preference Shares of INR 100 each issued and fully paid		No.	INR
At 31 March 2021		1,460,000	98,111,062
Changes during the year		-	-
At 30 June 2021		1,460,000	98,111,062

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

Name of the shareholder	21-Dec-21		31-Mar-21	
	No.	% holding in the class	No.	% holding in the class
Equity Shares of INR 10 each				
1. Amit Mahajan	1,350,313	6.86%	1,350,313	6.86%
2. Geeta Kirti Ambani and Amar Kirti Ambani	1,102,500	5.60%	1,102,500	5.60%
Preference Shares of INR 100 each				
1. Amit Mahajan S/o Late Sh. Y.D. Mahajan	569,481	39.01%	569,481	39.01%
2. Pride Properties Private Limited	142,400	9.75%	142,400	9.75%
3. Beckons Industries Private Limited	75,000	5.14%	75,000	5.14%
4. Universal Cyber Infoways Private Limited	436,350	29.89%	436,350	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			
	21-Dec-21	31-Mar-21	
	INR	INR	
(a) Securities premium	11,805,000	11,805,000	
(b) Capital Reserve	5,463,900	5,463,900	
(c) Retained earnings	(592,333,647)	(554,674,157)	
	(575,064,747)	(537,405,257)	
Reserves and surplus	(592,333,647)	(554,674,157)	
Other reserve	17,268,900	17,268,900	
Securities premium reserve	21-Dec-21	31-Mar-21	
	INR	INR	

Opening Balance		11,805,000	11,805,000
Closing Balance		11,805,000	11,805,000

Retained earnings		21-Dec-21	31-Mar-21
		INR	INR
Opening balance		(554,674,157)	(530,476,171)
Net profit for the period		(37,659,490)	(26,700,639)
<i>Items of other comprehensive income recognised directly in retained earnings</i>		-	2,502,653

Closing balance		(592,333,647)	(554,674,157)
12. Provisions		21-Dec-21	31-Mar-21
		INR	INR

(a) Provision for employee benefits		4,004,513	4,281,175
		4,004,513	4,281,175
Current		460,114	453,653
Non-Current		3,544,399	3,827,522

13. Deferred Income		21-Dec-21	31-Mar-21
		INR	INR
(a) Deferred Income on account of Investment Subsidy		1,072,000	1,122,000
(b) Deferred Income on account of Govt. grant for Property, Plant and Equipments		10,013,629	10,334,929
		11,085,629	11,456,929
Current		1,485,201	1,485,201
Non-Current		9,600,428	9,971,728

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)		21-Dec-21	31-Mar-21
		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:

		21-Dec-21	31-Mar-21
		INR	INR

Accounting Profit before Income Tax		(37,659,490)	(27,579,950)
At India's statutory Income Tax rate of 26%		(9,791,467)	(5,626,490)
Non-deductible Expenses for Tax purposes			(116,605)
Utilisation of previously unrecognised Tax Losses			7,287,392
Income tax expenses reported in the statement of Profit & Loss		(9,791,467)	-
Reconciliation of Deferred Tax Liabilities (Net):		21-Dec-21	31-Mar-21
		INR	INR

Opening Balance as on 1 April		(0)	-
Tax (Income)/Expense during the period recognised in Profit or Loss		-	(879,311)
Tax (Income)/Expense during the period recognised in OCI		-	879,311
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)	21,138,039	26,505,487	(5,367,448)	(4,119,841)
Debt Component of CFI	30,487,647	30,964,471	(476,824)	(1,880,402)
Deferred income	-	-	-	-
Provision for Employee Benefits	(1,041,174)	(3,633,004)	2,591,830	335,477
Interest Accrued and due	(29,382,834)	(17,852,433)	(11,530,401)	(17,852,433)
Other Current Liabilities	5,776	-	5,776	-
Unabsorbed Depreciation	(55,796,919)	(51,765,208)	(4,031,711)	(864,937)
Business losses	-	-	-	-
Tax during the period recognised in OCI	-	-	-	(206,428)
Deferred Tax Asset to the extent of Deferred tax Liability written off	34,589,465	15,780,687	18,808,778	15,780,687

Deferred Tax Expense/(Income)			-	(8,807,877)
Net Deferred Tax assets/(Liabilities)	-	-		

15. Other Liabilities	21-Dec-21	31-Mar-21
	INR	INR
(a) Statutory Dues Payables	573,825	176,491
(b) Other liabilities and payables	19,996,346	11,610,944
	20,570,171	11,787,435
Current	20,570,171	11,787,435

16. Trade payables	21-Dec-21	31-Mar-21
	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		66,979,232	64,691,180
(ii) Trade payables- Others		2,220,828	2,695,418
Total		69,200,060	67,386,598

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		21-Dec-21	31-Mar-21
		INR	INR
Revenue from Sale of Products		109,073,602	74,490,202
Total		109,073,602	74,490,202

18. Other income		21-Dec-21	31-Mar-21
		INR	INR
(a) Interest Income		-	92,898
(b) Deferred Income- Govt. Grant		371,300	1,485,201
(c) Other Non-Operating Income/(Expenses) (Net of Expenses directly attributable to such income)*		2,853,567	34,956,693
		3,224,867	36,534,792

* 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		21-Dec-21	31-Mar-21
		INR	INR
Inventory at the beginning of the year		25,583,043	29,881,775
Add: Purchase		76,202,698	49,970,087
		101,785,741	79,851,862
Less: Inventory at the end of the year		24,118,068	25,583,043
Cost of materials consumed		77,667,673	54,268,819

20. Employee benefits expense		21-Dec-21	31-Mar-21
		INR	INR
(a)Salaries, wages and bonus		16,698,578	12,865,048
(b) Contribution to provident and other funds		203,965	216,292
(c)Gratuity expense		193,494	603,096
(d) Leave Encashment		160,481	(6,680,468)
(e)Staff welfare expenses		196,598	40,883
		17,453,116	7,044,851

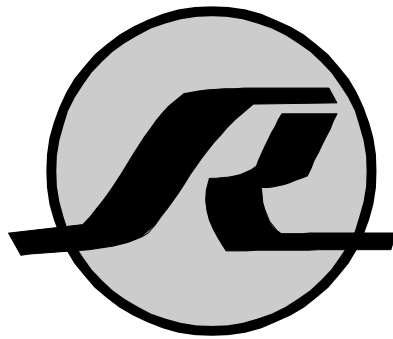
21. Finance costs		21-Dec-21	31-Mar-21
		INR	INR
(a) Interest expense		25,871,750	32,754,658
(b) Other borrowing costs		7,011	40,017
		25,878,761	32,794,675

22. Other expenses		21-Dec-21	31-Mar-21
		INR	INR
(a) Power and Fuel		3,753,247	3,614,072
(b) Other manufacturing expenses		574,321	1,309,843
(c) Repairs and maintenance			
Plant and machinery		372,369	110,337
(d) Rent		212,000	380,000
(e) Insurance		220,886	361,376
(f) Selling Expenses		5,883,328	2,554,954
(g) Vehicle Running & Maintenance		-	15,500
(h) Travelling and conveyance		229,161	146,138
(i) Legal and professional fees		1,728,298	1,026,786
(j) Auditor's Remuneration			
Statutory audit fees		90,000	90,000
Tax audit fees		20,000	20,000
(k) Bad debts		256,402	12,911,703
(l) Exice duty of early years paid		-	-
(m) Balance with revenue authorities written off		-	-
(n) Other Expenses		1,194,311	1,511,587

		14,534,321	24,052,296
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Other Expenses		21-Dec-21	31-Mar-21
(a) Penalty Charges		152,550	905,085
(b) Interest on late payment of TDS		502,660	333,764
(c) Postage, Telegram & Telephone		71,271	57,686
(d) Miscellaneous Administrative Expenses		467,830	215,052
		1,194,311	1,511,587

33rd Annual Report
2021-22



S R INDUSTRIES LIMITED
(UNDER CIRP)

BOARD OF DIRECTORS

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

AUDIT COMMITTEE (S.R INDUSTRIES LIMITED IS UNDER CIRP W.E.F 21.12.2021)

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

NOMINATION AND REMUNERATION COMMITTEE (S.R INDUSTRIES LIMITED IS UNDER CIRP W.E.F 21.12.2021)

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE (S.R INDUSTRIES LIMITED IS UNDER CIRP W.E.F 21.12.2021)

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

STATUTORY AUDITORS

M/S GOEL SATISH & CO

REGD. OFFICE

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

BANKERS

STATE BANK OF INDIA
UCO BANK

WORKS

VILLAGE SINGHA,
TEH HAROLI, DISTT.UNA

Directors' Report

Dear Members,

Your directors (powers suspended) in compliance of the Insolvency & Bankruptcy Code, 2016 are pleased to present their 33rd Annual Report and the Audited Statement of Accounts for the year ended March 31, 2022.

FINANCIAL RESULTS

(In lakhs)

PARTICULARS	2021-22	2020-21
Turnover	1382.68	744.90
Other Income	45.90	365.35
Profit / (loss) before interest, depreciation and taxation	(38.44)	240.18
Financial Expenses	53.30	327.95
Profit / (loss) before depreciation & taxation	(91.74)	(87.77)
Depreciation-	170.00	188.03
Deferred tax	(0.47)	(8.79)
Other Comprehensive Income		
Re-measurement Gains/(Losses) on defined benefit plans	1.82	33.82
Income tax effect	(0.47)	(8.79)
Net Profit / (loss) after tax	(259.92)	(241.97)
Earning per share ()	(1.32)	(1.36)
Basic / Diluted	(1.32)	(1.36)

FUTURE PROSPECTS

The board of directors inform that the company produced 0.35 million pairs of shoes, sandals and other footwear during the current year as against 0.19 million pairs during the previous year.

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 is currently undergoing the Corporate Insolvency Resolution Process (CIRP) as per order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, dated 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional. The powers of the Board of Directors of M/s of S R Industries Ltd (SRIL) are suspended under CIRP and all powers are vested with Resolution Professional.

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 ₹2,59,92,205/- 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 ₹21.38 crores as on 31st March, 2022.

(b) Term Loan

The term loans stood at ₹12.59 crores as on 31st March, 2022.

(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 that the Company is currently undergoing the Corporate Insolvency Resolution Process (CIRP) as per order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, dated 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional. The powers of the Board of Directors of M/s of S R Industries Ltd (SRIL) are suspended under CIRP and all powers are vested with Resolution Professional.

FRAUDS REPORTED BY AUDITORS U/S 143(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. However, an avoidance application under section 66 of IBC, 2016 has been filed before the Hon'ble NCLT by the Resolution Professional.

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 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.

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. At present the Company is under CIRP vide order dated CP(IB) No. 198/Chd/Pb/2019 dated 21.12.2021. The Request of the Resolution Plan has been published thrice vide dated 05.12. 2022.eight Expression of Interest have been received. Resolution Plans are yet to be received. The last date of receipt of the Resolution Plans is 24.12.2022.

DIRECTORS

During the year under review, Mrs. Sangeeta Mahajan (DIN: 00818293) was appointed as non-executive director of the Company w.e.f. 20/04/2021.

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.

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, 2022, the Board had six members, two of whom are executive directors, one is non-executive director and three independent directors. One of the independent directors of the Board is a woman director. The powers of all the directors are suspended as per IBC, 2016.

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. However, the policies are not active since the company is under CIRP.

We affirm that the remuneration paid to the directors before the initiation of Corporate Insolvency Resolution Process was as per the terms laid out in the Nomination and Remuneration Policy of the Company. Since, company is under Corporate Insolvency Resolution Process from 21.12.2022, no remuneration is being paid to the directors (powers suspended) of the Company.

MEETINGS

During the year, nine board meetings were held on 20th April, 2021, 23rd June, 2021, 30th June, 2021, 3rd July, 2021, 13th August, 2021, 3rd September, 2021, 11th October, 2021, 9th November, 2021 and 11th December, 2021. The attendance of directors and the details thereof are provided in the Corporate Governance Report.

The Company is currently going under the Corporate Insolvency Resolution Process (CIRP) as per an order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, Chandigarh Vide the order dated 21.12.2021. The powers of the Board of Directors of the Company are suspended. Therefore, no further board meeting was held.

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 of during the year Financial Year 2021-22:

- a) No. of Complaints received in the year: NIL
- b) No. of complaints disposed of 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: Nil
- 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. Based on such information provided to the Corporate Governance 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, 2022, 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, 2022 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 powers are suspended. The Resolution Professional have complete control over the Company. and laid out internal financial controls, which are adequate and are operating effectively; and
- vi) The Directors have devised proper systems till CIRP initiation date and after that as per section 17 of IBC, 2016 read with section 20 of the Code, the Resolution Professional took the complete control over the Corporate Debtor and also devised proper system 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 (Powers Suspended) 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 2021-22.

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

Place: Mohali
Date: 21.12.2022

Sd/-
Rajender Kumar Jain
Resolution Professional

Sd/-
Munish Mahajan
Managing Director
(Powers Suspended)
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	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)	Babaji & Co. (Associate Concern of Mrs. Anu Kumari)	SISV Decor and Fashion (Proprietorship of Mrs. Anu Kumari Director)
(b) Nature of contracts/ arrangements/ transactions:	Employment	Employment	Sales/ Purchase of goods or material	Sales/ Purchase of goods or material
(c) Duration of the contracts/ arrangements/ transactions:	Permanent employment	Permanent employment	Every financial year	Every financial year
(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.	Arm's length basis Sale: Rs. 9.96 Lakh Purchase: Rs. 91.9 Lakh	Arm's length basis
(e) Date(s) of				

approval by the Board, if any:				
(f) Amount paid as advances, if any:				

For and on behalf of the Board

Place: Mohali
Date: 21.12.2022

Sd/-
Rajender Kumar Jain
Resolution Professional

Sd/-
Munish Mahajan
Managing Director
(Powers Suspended)
DIN: 00818243

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	2021-22	2020-21
1	ELECTRICITY		
	Purchased Units (in lacs)	8.65	3.76
	Total Amount (/lacs)	61.34	35.42
	Average Rate/Unit (₹)	7.09	9.42
2	OWN GENERATION		
	Through Diesel Generator		
	Unit (in lacs)	0.02	0.02
	Unit / Ltr. of Diesel Oil	4.00	4.00
	Average Cost / Unit (₹)	19.5	17.5
3	WOOD		
	Wood (M.T.)	155.66	14.00
	Total Amount (/lacs)	7.01	0.60
	Average Rate (/M.T.)	4505	4250

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2021-22	2020-21
1	Footwear (Million Pairs)	0.35	0.19

2	Electricity (Kwh/Pairs)	2.47	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 exploring overseas markets. 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	2021-22	2020-21	(Rs./Lakh)
1	Foreign exchange earned (including deemed exports)	0.00	0.00	
2	Foreign exchange used	0.00	0.00	
3	Net foreign exchange earned	0.00	0.00	

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[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

The Company is currently undergoing the Corporate Insolvency Resolution Process (CIRP) as per an order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, on 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional. The powers of the Board of Directors of M/s of S R Industries Ltd (SRIL) are suspended. Under CIRP and all powers are vested with Resolution Professional.

Based on such information provided to us in regard to the Corporate Governance Report, our observations on the same are as under:

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, 2022. 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, 2022 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, 2022 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made there under; - **The Company has not complied with 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 2021-22.**
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- **Complied**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Complied**
 - (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 - **Not Applicable**
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable**
 - (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**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable**
 - (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 with the provisions of SEBI (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:

1. Based on petition filed by M/s UCO Bank for Corporate Insolvency Resolution Process ("CIRP") against S R Industries Limited before National Company Law Tribunal (NCLT), Chandigarh Bench under Section 7 of the Insolvency and Bankruptcy Code 2016 ("IBC"). The CIRP has been initiated in respect of under the provisions of IBC by an order of National Company Law Tribunal with effect from 21st December, 2021.

- a) Based on the above examination, I hereby report that, during the Review Period, the Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, **except in respect of matters specified below: -**

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Observations/ Remarks
1	The Hon'ble NCLT, Chandigarh dated December 21, 2021, CIRP of the Company had been initiated and Sh. Rajender Kumar Jain had been appointed as the Resolution Professional (RP) under IBC, 2016, against the proceedings initiated under CIRP vide Order No. CP(IB) No. 198/Chd/Pb/2021 of the NCLT, Chandigarh Bench dated 21.12.2021 on the petition of UCO Bank for default in the payment of financial debt.	The Company is currently under going the Corporate Insolvency Resolution Process (CIRP) as per an order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, Chandigarh Vide the order dated 21.12.2021. The powers of the Board of Directors of M/s of S R Industries Ltd (SRIL) are suspended. Based on such information provided to us in regard to the Corporate Governance Report. We have raised remarks on the same.
2	State Bank of India vs S R Industries Limited in Debt Recovery Tribunal	Latest hearing held on 25 th May, 2021. The matter is under process. Due date for hearing on 22 nd November, 2022.
3	UCO Bank vs S R Industries Limited in Debt Recovery Tribunal	Latest hearing held on 21 st May, 2021. The matter is under process. Due date for hearing on 24 th March, 2025.

On the Basis of Corporate Governance Report, I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. 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;
- Adequate notice is not given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were not sent at least seven days in advance due to the powers of the Board of Directors of **M/s of S R Industries Ltd (SRIL)** are suspended. As per an order number **CP (IB) No. 198/Chd/Pb/2018** dated 21.12.2022 of National Company Law Tribunal, Chandigarh Bench,

Chandigarh Vide the order dated 21.12.2021, the Company is currently going under the Corporate Insolvency Resolution Process (CIRP)

- c. All the decisions of the Board and Committees thereof were not carried through with requisite majority. The powers of the Board of Directors of **M/s of S R Industries Ltd (SRIL)** are suspended and all decisions were taken under CIRP and all powers are vested with Resolution Professional.

I further report that there are adequate systems and processes in place in the Company which is 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: A012333D001503196

Date: 05/11/2022
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- **Not Complied as powers of the Board of Directors of the Company are suspended.**
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation - **Not Complied as powers of the Board of Directors of the Company are suspended.**
- g) The 32st Annual General Meeting was held on **30th September, 2021.**
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings - **Not Complied as powers of the Board of Directors of the Company are suspended.**
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required - **Under CIRP and all powers are vested with Resolution Professional.**
- 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: A012333D001503196

Date: 05/11/2022

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
UDIN: A012333D001503196

Date: 05/11/2022
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, 2022 is Six 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 one Non-Executive Non-Independent Director and three Non-Executive Independent Directors including a Woman Director. The powers of the Board of Directors of the Company are suspended after receiving CIRP order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, on 21.12.2021.

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 September 30, 2021	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	9	Yes	5	0	0	2
2	Mr. Munish	00818243	Managing Director	9	Yes	5	0	0	0

	Mahajan								
3	Mr. Udit Mayor	02425273	Independent & Non-Executive	9	Yes	2	1	2	1
4	Mrs. Anu Kumari	08870494	Independent & Non-Executive	9	Yes	1	0	1	2
5	Mr. Gaurav Jain	08906400	Independent & Non-Executive	9	Yes	1	0	0	1
6.	Mrs. Sangeeta Mahajan	00818293	Non-Executive Director	8	Yes	1	0	0	0

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. Amit Mahajan	Director (Commercial)	Being a promoter, he is related to other promoters and is relative of Mr. Munish Mahajan, Managing Director
3	Mr. Munish Mahajan	Managing Director	Being a promoter, he is related to other promoters and is relative of Mr. Amit Mahajan, Director (Commercial)
4	Mrs. Sangeeta Mahajan	Director	She is the mother of Mr. Munish Mahajan (Managing Director) and Mr. Amit Mahajan (CFO)
5	Mrs. Anu Kumari	Director	Independent Director
6	Mr. Gaurav Jain	Director	Independent Director

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 9th November, 2021, 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 2021-22, nine 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	20/04/2021	5	5
2	23/06/2021	6	6
3	30/06/2021	6	6
4	03/07/2021	6	6

5	13/08/2021	6	6
6	03/09/2021	6	6
7	11/10/2021	6	6
8	09/11/2021	6	6
9	11/12/2021	6	6

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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. Amit Mahajan Director- commercial	10	10	10	10
Mrs. Sangeeta Mahajan	8	6.5	8	8
Mr. Udit Mayor	10	9	8	8
Mr. Munish Mahajan	10	10	10	10
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.

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.

The Company is currently undergoing the Corporate Insolvency Resolution Process (CIRP) as per an order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, on 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional. The powers of

the Board of Directors of M/s of S R Industries Ltd (SRIL) are suspended. Under CIRP and all powers are vested with Resolution Professional.

➤ **AUDIT COMMITTEE**

The Audit committee as on 31st March, 2022 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 six times on 20/04/2021, 23/06/2021, 30/06/2021, 03/07/2021, 13/08/2021, 09/11/2021. 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	6	6
MR. UDIT MAYOR	6	6

MRS. ANU KUMARI	6	6
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➤ **NOMINATION AND REMUNERATION COMMITTEES**

The Nomination and Remuneration Committee, as on 31st March, 2022 comprised of:

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

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

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 one time on 20th April, 2021.

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	1	1
MRS. ANU KUMARI, INDEPENDENT DIRECTOR	1	1
MR. GAURAV JAIN, INDEPENDENT DIRECTOR	1	1

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria of Independent directors are 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 was resigned from the post of 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 31st and 36th AGM for a tenure of 5 years. Further, the details of meeting of independent directors and familiarisation programme imparted to them are disclosed in the corporate governance report.



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
30.09.2021	32 nd Annual General Meeting for the Financial Year 2020-21	03:00 P.M.	Through Video Conferencing/Other Audio-Visual Means	Yes
18.12.2020	31 st Annual General Meeting for the Financial Year 2019-20	11:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
19.09.2019	30 th Annual General Meeting for the Financial Year 2018-19	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 33rd Annual General Meeting of the Company is scheduled to be held on Wednesday, 28th day of December, 2022 at 03:00 p.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").



FINANCIAL YEAR

The Financial Year for which the Report / Accounts pertain is from 1st April, 2021 to 31st March, 2022.



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 2021-22 has not been paid to the Bombay Stock Exchange (BSE) due to financial crises.



STOCK CODE-

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



MARKET PRICE DATA (BSE)

MONTH	HIGH PRICE (Rs.)	LOW PRICE (Rs.)
Apr-21	3.49	2.67
May-21	3.45	2.66
Jun-21	3.5	2.6
Jul-21	3.49	2.61
Aug-21	2.85	1.78
Sep-21	2.25	1.51
Oct-21	2.39	1.71
Nov-21	2.13	1.73
Dec-21	2.95	1.86
Jan-22	4.67	2.76
Feb-22	3.34	2.16
Mar-22	3.1	2.07



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	9448	83.36	1744496	8.87
501-1000	846	7.46	743057	3.78
1001-2000	370	3.26	593100	3.01
2001-3000	164	1.45	421760	2.14
3001-4000	89	0.79	323061	1.64
4001-5000	102	0.90	488829	2.48
5001-10000	130	1.15	1019419	5.18
Above 10001	185	1.63	14339778	72.89
Total	11334	100	19673500	100



DEMATERIALISATION OF SHARES AND LIQUIDITY

The details of paid up capital as on 31st March 2022 is as under:

MODE OF HOLDING	NO. OF SHARES	PERCENTAGE
NSDL	9813693	49.88
CDSL	8176297	41.56
PHYSICAL	1683510	8.56
TOTAL	19673500	100

The ISIN of the Company is INE329C01011. As on 31st March 2022, 91.44 % 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, 2022.



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

① 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.

① 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.

① 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.

① 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.

① 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.

① Web link where policy on dealing with related party transactions

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

① 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, 2022 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
6	Mrs. Sangeeta Mahajan	00818293	20/04/2021

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: 05/11/2022

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013
UDIN: A012333D001503757

(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 (Powers Suspended) have affirmed the compliance with the code of conduct of board of directors for the year ending 31st March, 2022.

Place: Mohali

Date: 21.12.2022

For S. R. Industries Ltd

Sd/-

(Munish Mahajan)

(Powers Suspended)

Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF S. R. INDUSTRIES LTD

The Company is currently undergoing the Corporate Insolvency Resolution Process (CIRP) as per an order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, on 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional. The powers of the Board of Directors of M/s of S R Industries Ltd (SRIL) are suspended. Under CIRP and all powers are vested with Resolution Professional.

I have examined the compliance of conditions of Corporate Governance by S R Industries Ltd ("the Company"), for the financial year ended 31st March, 2022, 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: 05/11/2022

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.

Place: Mohali
Date: 21.12.2022

Sd/-
Rajender Kumar Jain
Resolution Professional

Sd/-
Munish Mahajan
Managing Director
(Powers Suspended)
DIN: 00818243



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. Company is currently undergoing the Corporate Insolvency Resolution Process (CIRP) as per an order number CP (IB) No. 198/Chd/Pb/2018 of National Company Law Tribunal, Chandigarh Bench, on 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional. 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. The outcome of the CIRP proceedings can have a negative effect on future prospects as well as functioning of the organization. The management (powers suspended) recognizes this threat and is cooperating with the Resolution Professional as he seeks to find remedial measures to combat this situation.

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 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 the company remains operative through the CIRP process. The future prospects of the Company are largely dependent on the outcome of the CIRP process.

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 2021-22 increased from 7.44 Cr. in 2020-21 to 13.83 Cr. The company during the year sold 341 million pairs as against 0.19 million pairs of footwear during last year. The production during the financial year was .335 million pairs of footwear as against .19 million pairs during previous year.

The duty drawback not received during the year was 0.00 lacs consistent with the previous

The Earning per share (EPS) during the year was (1.32) as compared to (1.23) for last year. The diluted EPS of (1.32) 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.

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, 2022, the company employed 91 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 2021-22	FY 2020-21	YoY Change
Debtors Turnover (times)	2.34	1.31	
Inventory Turnover (times)	5.12	2.39	
Interest Coverage Ratio (times)	-0.72	0.732	
Current Ratio	0.26	.19	
Debt Equity Ratio	-1.61	1.61	
Operating Profit Margin (%)	-15.80 %	7 %	
Net Profit Margin (%)	-18.80 %	-37 %	

Explanation: The debtor turnover ratio has improved from 1.31 to 2.34 and inventory turnover ratio has changed from 2.39 to 5.12 in the current year. The improvement is primarily on account of improved sales made in current year as compared to previous year where impact of COVID-19 was greater. Interest coverage ratio, operating profit margin and net profit margin are negative due to the losses incurred by the Company; however, these have improved compared to previous year due to improved performance and cost cutting measures taken by the company. The Debt Equity ratio is negative since the Company has eroded its Net Worth and is facing insolvency proceedings.

XI CHANGE IN RETURN ON NET WORTH

Particulars	FY 2021-22	FY 2020-21	YoY Change
Return on Net Worth %	-9.67%	-8.84%	

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
(Company under Corporate Insolvency Resolution Process)

Pursuant to an order of the Hon'ble National Company Law Tribunal, Chandigarh ("NCLT") dated December 21, 2021, Corporate Insolvency Resolution Process ("CIRP") of the Company had been initiated and Sh. R.K Jain,(IP Registration No. IBBI/IPA-001/IP- P00543/2017-18/10968) had been appointed as the Resolution Professional (RP) under Insolvency and Bankruptcy Code 2016 ("Code"), against the proceedings initiated under CIRP vide Order No. CP(IB) No.198/Chd/Pb/2021 of the National Company Law Tribunal, Chandigarh Bench dated 21.12.2021 on the petition of UCO Bank for default in the payment of financial debt.

Qualified Opinion

We have audited the accompanying standalone Ind AS Financial statements of **S.R. Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31,2022, 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 matters described in the basis for qualified opinion section*, the aforesaid standalone Ind AS 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 31,2022, 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.

The company has made provisioning of simple interest in the financial statements for the first 3 Quarters on the amounts due towards SBI at the rate of 10% and UCO Bank at the rate of 12%. However, now, since the Corporate Insolvency Resolution Process has been initiated against the Company and the accounts of the Company have been classified as NPA, there is no credible information on the basis of which the liability of the Company can be ascertained, and hence, provision of interest earlier made during the first 3 quarters has now been reversed while preparing the Annual Results for the year as the management is expecting full waiver of interest as per the Resolution Plan to be approved under Corporate Insolvency Resolution Process..

Emphasis of Matter

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 GSTR-9 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 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, 2020 ("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

Place: Chandigarh
Date: 21.06.2022

(CA. Satish Goel)
Proprietor
Membership No. 089414
UDIN: 22089414ALLHNF8329

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 (Company under Corporate Insolvency Resolution Process) 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, 2022 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent 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, 2022, 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

Place: Chandigarh
Date: 21.06.2022

(CA. Satish Goel)

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 (Company under Corporate Insolvency Resolution Process) of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (b) The Company has a program of verification to cover all the items of Property, plant and equipment. Pursuant to the program, Property, plant and equipment's 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.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of the Company's Inventory:

- (a) The management has carried out physical verification of inventory at reasonable intervals and no discrepancies of 10% or more for each class of inventory were noticed during the year.
- (b) The accounts of the Company have been classified as Non-Performing Assets by the Banks (SBI and UCO Bank) since 30.06.2017 and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties and hence reporting under clause 3(iii) of the Order is not applicable to the Company.

iv. 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. Hence, reporting under clause 3(vi) of the order is not applicable to the Company.

vii. 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 Provident Fund, Employee's state Insurance, Income Tax (TDS & TCS)*.
- (b) Further, as at 31st March 2022, there are certain dues which have been outstanding for a period of more than six months from the date they became payable.

Nature of the statute	Nature of dues	Amount (₹ Lakhs)
Employees' State Insurance Act, 1948	Employee's State Insurance	0.92
Employee's Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	1.25
Income Tax Act, 1961	Income Tax (TDS)	0.84
Income Tax Act, 1961	Income Tax (TCS)	0.18

However, the said outstanding dues shall be dealt with in accordance with the Resolution Plan under Corporate Insolvency Resolution Process

- (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, 2022 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. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The accounts of the Company have been classified as Non-Performing Assets by the

Banks (SBI and UCO Bank) since 30.06.2017.

- (b) As per the information and data made available to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overall examination of the financial statements of the Company, the loan taken by the Company has been utilised for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on shortterm basis have, prima facie, not been used during the year for long-term purposes.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year by pledging the securities held in their subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- 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. a) In our opinion the Company *doesn't* has an adequate internal audit system

commensurate with the size and the nature of its business. However, we are informed that the company has effective internal control system in place.

- (b) Since *no internal audit was conducted for the year under audit*, we have not considered any internal audit reports in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, 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. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 91.74 Lac and Rs. 87.77 Lac during the financial year covered by our audit and the immediately preceding financial year respectively.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, *there are certain things which have come to our attention like classification of company's loan accounts as NPA and the initiation of The Corporate Insolvency Resolution Process against the company U/S 7 of the Insolvency and Bankruptcy Code, 2016 vide Order No. CP(IB) No. 198/Chd/Pb/2021 of the National Company Law Tribunal, Chandigarh Bench dated 21.12.2021 on the petition of UCO Bank for default in the payment of financial debt.*

The above stated facts cause us to believe that material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report.

- xx. The provisions of Section 135 of Companies Act, 2013, are not applicable to the company, so reporting under clause 3(xx) of the order is not required by the company.

S.R. INDUSTRIES LIMITED

Balance sheet as at March 31, 2022

All amounts in Rupees , unless otherwise stated

- xxi. In our opinion and according to the information and explanations given to us, the Company is not required to prepare any Consolidated Financial Statements and therefore reporting under clause 3(xxi) of the Order is not applicable to the Company.

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

Place: Chandigarh
Date: 21.06.2022

(CA. Satish Goel)
Proprietor
Membership No. 089414
UDIN: 22089414ALLHNF8329

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(A) NON CURRENT ASSETS			
i Property, Plant and Equipment	3	15,04,38,692	16,68,42,362
ii Financial Assets			
(a) Others	8	25,800	11,19,215
(B) CURRENT ASSETS			
i Inventories	5	2,59,75,393	2,79,31,547
ii Financial Assets			
(a) Trade Receivables	6	6,11,21,964	5,68,47,082
(b) Cash and Cash Equivalents	7	6,09,607	4,55,658
(c) Loans	4	1,81,20,175	1,46,28,463
(d) Others	8	56,36,892	29,64,735
Total Assets		26,19,28,523	27,07,89,062
EQUITY AND LIABILITIES			
(C) EQUITY			
i Equity Share capital	9	19,64,57,000	19,64,57,000
ii Other Equity			
(a) Equity Component of Compound Financial Instrument	9	9,81,11,062	9,81,11,062
(b) Retained Earnings	10	(58,06,66,362)	(55,46,74,157)
(c) Other Reserves	10	1,72,68,900	1,72,68,900
(D) LIABILITIES			
Non Current Liabilities			
i Financial Liabilities			
(a) Borrowings	11	9,32,90,902	6,13,08,848
ii Provisions	12	40,73,953	38,27,522
iii Deferred Income	13	84,86,527	99,71,728
iv Deferred Tax Liabilities (Net)	14	-	-
Current Liabilities			
i Financial Liabilities			
(a) Borrowings	11	33,98,05,885	35,74,05,271
(b) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	16	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	16	6,86,92,769	6,73,86,598
ii Provisions	12	4,97,304	4,53,653
iii Deferred Income	13	14,85,201	14,85,201
iv Other Current Liabilities	15	1,44,25,383	1,17,87,435
Total Equity & Liabilities		26,19,28,523	27,07,89,062
Summary of significant accounting policies	2.1		

See accompanying notes to the Financial Statements
As per our report of even date

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

R.K. Jain
Resolution Professional
(Regd. No. IBBI/IPA-001/IP-
P00543/2017-18/10968)

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038593)
(Powers suspended)

Munish Mahajan
Managing Director
(DIN: 00818243)
(Powers suspended)

CS. Neha Aggarwal
Company Secretary
(PAN: ALCPA1877C)

Place: CHANDIGARH
Date: 21.06.2022

FOR M/S GOEL SATISH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 010693N

(CA. Satish Goel)
Proprietor
Membership No. 089414
UDIN: 22089414ALLHNF8329

S.R. INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

All amounts in Rupees , unless otherwise stated

Sr. No	Particulars	Note No.	For the Year ended 31/03/2022	For the Year ended 31/03/2021
I.	Revenue from Operations	17	13,82,68,415	7,44,90,202
II.	Other Income	18	45,90,059	3,65,34,792
III.	Total Income (I+II)		14,28,58,474	11,10,24,994
IV.	EXPENSES			
	Cost of materials consumed	19	9,96,54,964	5,42,68,820
	Changes in inventories of (Stock in Trade, RM, & Finished Goods)		(4,29,621)	16,40,872
	Employee benefits expense	20	2,27,09,276	70,44,851
	Finance costs	21	53,30,440	3,27,94,676
	Depreciaton and amortization expense	3	1,70,00,774	1,88,03,429
	Other expenses	22	2,47,67,610	2,40,52,296
	Total Expenses		16,90,33,442	13,86,04,944
V.	Profit/(Loss) before tax (III-IV)		(2,61,74,968)	(2,75,79,950)
VI.	Exceptionals Items		-	-
VII.	Profit/(Loss) before Tax from Continuing operations (V-VI)		(2,61,74,968)	(2,75,79,950)
	(1) Current tax		-	-
	(2) Deferred tax		(47,518)	(8,79,311)
VIII.	Income tax expense		(47,518)	(8,79,311)
IX.	Profit/(Loss) for the year (VII-VIII)		(2,61,27,450)	(2,67,00,639)
X.	Other comprehensive Income			
	Items that will not be reclassified to profit or loss:			
	Re-measurement gains/(losses) on defined benefit plans		1,82,763	33,81,964
	Income tax relating to items		47,518	8,79,311
XI.	Net Other Comprehensive income for the period		1,35,245	25,02,653
XII.	Total comprehensive Income for the period (Comprising Profit (Loss) and other comprehensive income for the period) (IX+XI)		(2,59,92,205)	(2,41,97,986)
	Earnings Per Eq. Share for profit from continuing Operation attributable to owner of Value Ind AS			
	Basic earning per share		(1.32)	(1.23)
	Diluted earning per share		(1.32)	(1.23)
	Earnings per equity share for profit from discontinuing operation attributable to owner of Value Ind AS limited			
	Basic earning per share		-	-
	Diluted earning per share		-	-
	Earnings per Equity share for profit from continuing, discontinuing operation attributable to owner of Value Ind AS Limited:		(1.32)	(1.23)
XVIII.	Earnings per Equity Share (for Continuing Operations):			
	(i) Basic		(1.32)	(1.23)
	(ii) Diluted		(1.32)	(1.23)

Summary of significant accounting policies

2.1

See accompanying notes to the Financial Statements
As per our report of even date

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

Rajender Kumar Jain
Resolution Professional
(Regd. No. IBBI/IPA-001/IP-
P00543/2017-18/10968)

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038593)
(Powers suspended)

Munish Mahajan
Managing Director
(DIN: 00818243)
(Powers suspended)

CS. Neha Aggarwal
Company Secretary
(PAN: ALCPA1877C)

FOR M/S GOEL SATISH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.010693N

Place: CHANDIGARH
Date:21.06.2022

(CA. Satish Goel)
Proprietor
Membership No. 089414
UDIN: 22089414ALLHNF8329

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

All amounts in Rupees , unless otherwise stated

Particulars	Note No.	For the Year ended 31/03/2022	For the Year ended 31/03/2021
A Cash Flow from Operating activities			
1 Profit before Tax		(2,61,74,968)	(2,75,79,950)
2 Adjustments to reconcile Profit before Tax to Net cash Flows:			
Depreciation and amortisation Expense	3	1,70,00,774	1,88,03,429
Bad debts, advances and securities written off		(17,38,775)	1,10,67,348
Interest Income	18	-	(92,898)
Finance Costs	21	53,30,440	3,27,94,676
Deffered Income Recognised during the year		(14,85,201)	-
Liabilities/ Provisions Written back due to Actuarial Gain/(Loss)		-	33,81,964
		1,91,07,238	6,59,54,519
3 Operating Profit before working capital adjustments (1+2)		(70,67,730)	3,83,74,569
4 Working capital adjustments:			
Trade and other receivables and prepayments		(1,07,11,418)	(1,14,28,746)
(Increase)/Decrease in Inventories		19,56,154	64,58,938
Increase/(Decrease) Trade and other payables and Provisions		75,21,822	(69,74,749)
		(12,33,443)	(1,19,44,557)
5 Cash generated from Operations (3+4)		(83,01,173)	2,64,30,012
6 Taxes (Paid) /Refund		-	-
7 Net Cash Flows from Operating Activities (5-6)		(83,01,173)	2,64,30,012
B Cash Flow from Investing activities:			
Purchase of Property, Plant and Equipment(PPE)	3	(5,97,103)	(2,16,779)
Proceeds from fixed deposits matured during the year		-	10,08,434
Interest Income	18	-	92,898
Net cash used in Investing activities:		(5,97,103)	8,84,553
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		(24,38,020)	(27,13,128)
Increase/(Decrease) in Interest accrued and due on Cash Credit		(1,51,61,368)	1,39,56,957
Increase/(Decrease) in Interest accrued and due on TL		-	98,65,850
Increase/(Decrease) in Unsecured Loans		3,19,82,053	(2,08,52,135)
Finance Costs	21	(53,30,440)	(3,27,94,671)
Net cash used in financing activities:		90,52,225	(3,25,37,127)
D Net change in cash and cash equivalents (A+B+C)		1,53,949	(52,22,562)
E - 1 Cash and cash equivalents at the beginning of the year		4,55,658	56,78,220
E - 2 Cash and cash equivalents at year end		6,09,607	4,55,658

See accompanying notes to the Financial Statements

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

Rajender Kumar. Jain
Resolution Professional
(Regd. No. IBBI/IPA-001/IP-
P00543/2017-18/10968)

Amit Mahajan
Director- Commercial
& Chief Financial Officer
(DIN: 00038593)
(Powers suspended)

Munish Mahajan
Managing Director
(DIN: 00818243)
(Powers suspended)

FOR M/S GOEL SATISH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.010693N

CS. Neha Aggarwal
Company Secretary
(PAN: ALCPA1877C)

(CA. Satish Goel)
Proprietor

Place: CHANDIGARH
Date: 21.06.2022

Membership No. 089414
UDIN: 22089414ALLHNF8329

STATEMENT OF CHANGES IN EQUITY
S.R. INDUSTRIES LIMITED
All amounts in Rupees , unless otherwise stated

a. Equity Share Capital:

Equity Shares of INR 10 each issued, subscribed and fully paid	No.	INR
At 31st March 2021	1,96,73,500	19,64,57,000
Increase/(decrease) during the year	-	-
At 31st March 2022	1,96,73,500	19,64,57,000

b. Other Equity

For the year ended 31st March 2022

Particulars	Attributable to the Equity Holders				Total
	Equity Component of Compound Financial Instruments	Reserves and Surplus			
		Securties Premium	Capital Reserve	Retained Earnings	
As at 1st April 2021	9,81,11,062	1,18,05,000	54,63,900	(55,46,74,157)	(43,92,94,195)
Total Comprehensive income for the current year				(2,59,92,205)	(2,59,92,205)
At 31st March 2022	9,81,11,062	1,18,05,000	54,63,900	(58,06,66,362)	(46,52,86,400)

For the year ended 31st March 2021

Particulars	Attributable to the Equity Holders				Total
	Equity Component of Compound Financial Instruments	Reserves and Surplus			
		Securities Premium	Capital Reserve	Retained Earnings	
As at 1st April 2020	9,81,11,062	1,18,05,000	54,63,900	(53,04,76,171)	(41,50,96,209)
Total Comprehensive income for the current year				(2,41,97,986)	(2,41,97,986)
At 31st March 2021	9,81,11,062	1,18,05,000	54,63,900	(55,46,74,157)	(43,92,94,195)

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

Rajender Kumar Jain
Resolution Professional
(Regd. No. IBBI/IPA-001/IP-
P00543/2017-18/10968)

Amit Mahajan
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(Powers suspended)

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Managing Director
(DIN: 00818243)
(Powers suspended)

CS. Neha Aggarwal
Company Secretary
(PAN: ALCPA1877C)

Place: CHANDIGARH
Date: 21.06.2022

FOR M/S GOEL SATISH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.010693N

(CA. Satish Goel)

Proprietor
Membership No. 089414
UDIN: 22089414ALLHNF8329

Notes to the standalone Ind AS financial statements for the year ended March 31, 2022.

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 Company is undergoing Corporate Insolvency Resolution Progress in terms of Order No. CP(IB) No.198/Chd/Pb/2021 passed by Hon'ble NCLT, Chandigarh Bench on 21.12.2021 vide which Shri Rajender Kumar Jain, Insolvency Professional has been appointed as the Interim Resolution Professional and subsequently confirmed as Resolution Professional.

The powers of the Board are suspended under CIRP and all powers are vested with RP. The financial statements were authorized for issue in accordance with resolution by the Board of Directors (Suspended) on 21.06.2022 under the supervision of Sh. R. K Jain, the Resolution Professional appointed **Under Section 7 of the Insolvency and Bankruptcy Code, 2016 vide Order No. CP(IB) No.198/Chd/Pb/2021 of the National Company Law tribunal, Chandigarh dated 21.12.2021.**

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 2022, 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

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

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

S. No.	Nature of Asset	Useful Life (Years)
1.	Buildings	30
2.	Plant & Machinery	15
3.	Other Equipment	10 to 15
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 twelve months 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.
- (iv) 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 modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is 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 recognized 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 recognized 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 authorized by the Company. An estimate is made of goods that will be returned and a liability is recognized for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
Interest income is recognized 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 data 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.

(0) 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, 2022 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

Particulars	Land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Others (Moulds & Dies)	Total
	INR	INR	INR	INR	INR	INR	INR
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
Year ended 31 March 2022							
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	2,09,69,201	28,77,86,498
Additions	-	-	13,200	-	-	5,83,903	5,97,103
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2022	1,63,75,392	7,48,55,454	15,74,52,611	1,50,93,348	30,53,692	2,15,53,104	28,83,83,601
Accumulated Depreciation							
Opening Accumulated Depreciation	-	1,45,25,685	8,56,90,947	1,25,20,567	27,04,281	55,02,655	12,09,44,136
Depreciation charge during the year	-	29,12,023	1,22,13,643	4,26,657	64,055	13,84,396	1,70,00,774
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2022	-	1,74,37,708	9,79,04,590	1,29,47,224	27,68,336	68,87,051	13,79,44,910
Net Carrying Amount as at 31 March 2022	1,63,75,392	5,74,17,746	5,95,48,021	21,46,124	2,85,356	1,46,66,053	15,04,38,692
Net Book Value							
At 31 March 2022	1,63,75,392	5,74,17,746	5,95,48,021	21,46,124	2,85,356	1,46,66,053	15,04,38,692
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

No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year 31 March 22- 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

(unsecured, considered good unless otherwise stated)

Others Advances

Current

31/03/2022	31/03/2021
INR	INR
1,81,20,175	1,46,28,463
1,81,20,175	1,46,28,463
1,81,20,175	1,46,28,463

5. Inventories

(a) Raw Materials

(b) Work-in-progress

(c) Finished Goods

(d) Consumable

(d) Stores and spares

Total inventories at the lower of cost and net realisable value

31/03/2022	31/03/2021
INR	INR
1,17,02,168	1,41,50,895
20,09,153	-
1,11,996	16,91,528
1,17,90,377	1,14,32,148
3,61,699	6,56,976
2,59,75,393	2,79,31,547

6. Trade receivables

Trade receivables

Total Trade receivables*

Break-up for security details:

Unsecured, considered good

Provision for Doubtful Debts

Current

31/03/2022	31/03/2021
INR	INR
6,11,21,964	5,68,47,082
6,11,21,964	5,68,47,082
6,11,21,964	5,68,47,082
-	-
6,11,21,964	5,68,47,082
6,11,21,964	5,68,47,082

No trade receivables are due from Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. Trade receivables are non interest bearing and generally on terms of 30-90 days.

Trade Receivables Ageing Schedule:

(Amount in Rs.)

Particulars	Outstanding for following periods from date of the transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables- Considered good	1,74,99,588	1,06,37,471	99,16,906	34,48,538	1,96,19,461	6,11,21,964

*In the opinion of the auditor, trade receivables amounting to Rs. 99.17 lakhs, Rs. 34.49 lakhs and Rs. 196.19 lakhs outstanding for a period of more than 1 year, 2 years and 3 years respectively are doubtful; however, in the view of the management, the said trade receivables are recoverable and extra efforts are being made by the management to recover from these debtors.

7. Cash and cash equivalents

(A) Balances with Banks

(B) Cash on hand

31/03/2022	31/03/2021
INR	INR
5,82,829	8,280
26,779	4,47,378
6,09,607	4,55,658

8. Other Financial Assets

(Unsecured, considered good)

Balance with Revenue Authorities

Interest accrued on Security Deposits*

Security Deposits*

Current

Non - Current

31/03/2022	31/03/2021
INR	INR
56,36,892	28,46,711
-	1,18,024
25,800	11,19,215
56,62,692	40,83,950
56,36,892	29,64,735
25,800	11,19,215

*Security deposits amounting to Rs. 2,00,000/- was given to PSEB unit for electricity connection for Towel unit, however, since, the towel unit was sold out in April 2012 and security deposit transferred to purchaser, thus, the same is now being written off during the year. Also, security deposit amounting to Rs. 8,93,415/- given to HPSEB unit has been encashed by UCO Bank and shown as recovery in UCO CC A/c 02360510002261, thus the said security deposit along with the interest accrued on the same amounting to Rs. 1,18,024/- has been written off during the year.

9. Share Capital

9.1 Authorised Share Capital

(a) Equity Shares

At 31st March, 2021

Increase/(decrease) during the year

At 31st March, 2022

No.	INR
2,15,00,000	21,50,00,000
-	-
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

At 31 March 2021

Increase/(decrease) during the year

At 31 March 2022

No.	INR
1,50,00,000	15,00,00,000
-	-
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 for the year under consideration.

9.2 Issued Share Capital

(a) Equity Shares

At 31 March 2021

Increase/(decrease) during the year

At 31 March 2022

No.	INR
1,96,73,500	19,67,35,000
-	-
1,96,73,500	19,67,35,000

(b) Equity Component of Redeemable Preference Shares of INR 100 each issued and fully paid

At 31 March 2021

Increase/(decrease) during the year

At 31 March 2022

No.	INR
9,81,11,062	9,81,11,062
-	-
9,81,11,062	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

At 31 March 2021

Increase/(decrease) during the year

At 31 March 2022

Subscribed & Fully Paid	Subscribed but not Fully Paid
19,64,57,000	2,78,000
-	-
19,64,57,000	2,78,000

(b) Equity Component of redeemable Preference Shares of INR 100 each issued and fully paid

At 31 March 2021

Increase/(decrease) during the year

At 31 March 2022

No.	INR
9,81,11,062	9,81,11,062
-	-
9,81,11,062	9,81,11,062

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

Name of the shareholder	31/03/2022		31/03/2021	
	No.	% holding in the class	No.	% holding in the class
Equity Shares of INR 10 each				
1. Amit Mahajan S/o Late Sh. Y.D. 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 Infoway 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%

9.5 Details of shareholding of Promoters

Shares held by promoters at the end of the year			% change during the year
Promoter Name	No. of shares	% holding in the class	
Equity Shares of INR 10 each			
1. Amit Mahajan S/o Late Sh. Y.D. Mahajan	13,50,313	6.86%	-
2. Ramesh Chander Mahajan	5,60,800	2.85%	-
3. Amit Mahajan S/o R.C. Mahajan	4,11,450	2.09%	-
4. Anuj Mahajan	4,06,250	2.06%	-
5. Universal Cyber Infoway Private Limited	3,93,177	2.00%	-
6. Pride Properties Private Limited	3,12,675	1.59%	-
7. Susang Mac Private Limited	2,59,500	1.32%	-
8. Suman Mahajan	1,85,100	0.94%	-
9. Munish Mahajan	10,000	0.05%	-
Preference Shares of INR 100 each			
1. Amit Mahajan S/o Late Sh. Y.D. Mahajan	5,69,481	39.01%	-
2. Pride Properties Private Limited	1,42,400	9.75%	-
3. Beckons Industries Private Limited	75,000	5.14%	-
4. Universal Cyber Infoway Private Limited	4,36,350	29.89%	-
5. Ramesh Chander Mahajan	87,500	5.99%	-
6. Amit Mahajan S/o R.C. Mahajan	75,269	5.16%	-
7. Krishna Garden Private Limited	74,000	5.07%	-

10. Other Equity

	31/03/2022	31/03/2021
	INR	INR
Securities premium	1,18,05,000	1,18,05,000
Capital Reserve	54,63,900	54,63,900
Retained earnings	(58,06,66,362)	(55,46,74,157)
	(56,33,97,462)	(53,74,05,257)
Retained earnings	(58,06,66,362)	(55,46,74,157)
Other reserves	1,72,68,900	1,72,68,900
Securities premium reserve	31/03/2022	31/03/2021
	INR	INR
Opening Balance	1,18,05,000	1,18,05,000
Closing Balance	1,18,05,000	1,18,05,000
Retained earnings	31/03/2022	31/03/2021
	INR	INR
Opening balance	(55,46,74,157)	(53,04,76,171)
Net profit for the period	(2,61,27,450)	(2,67,00,639)
Items of other comprehensive income recognised directly in retained earnings	1,35,245	25,02,653
Closing balance	(58,06,66,362)	(55,46,74,157)

11. Borrowings

	Effective Interest rate	Maturity	Installment (No.)	31/03/2022 INR	31/03/2021 INR
Non-Current Borrowings					
Term Loan					
(A) From Banks*					
(i) Term Loan from SBI (Secured)**	10.00%	2011-2019	28	4,54,04,658	4,54,04,658
(ii) Term Loan from UCO Bank (Secured)**	12.00%	2011-2019	28	8,05,66,773	8,05,66,773
(B) Liability Component of Compound Financial Instrument (Unsecured)					
	16.75%	2011-2031 & 2013-2033	Lumpsum	3,13,07,884	2,68,16,175
(C) Unsecured loans					
- From Directors (Unsecured)				5,34,82,473	3,44,92,673
- From Intercompany (Unsecured)				85,00,545	-
Total borrowings				21,92,62,333	18,72,80,279
Less: Current maturities of Long term Borrowings				8,80,37,299	(8,80,37,299)
Less: Interest accrued and due				3,79,34,133	(3,79,34,132)
Non current borrowings				9,32,90,902	6,13,08,848

	Effective	Maturity	31/03/2022 INR	31/03/2021 INR
Current borrowings				
(A) Loans repayable on demand				
Secured				
From banks				
-State Bank of India		On Demand	8,53,05,665	8,53,05,665
-UCO Bank		On Demand	8,68,68,418	8,93,06,438
Interest accrued and due			4,16,60,371	5,68,21,738
Total Loans Repayable on Demand			21,38,34,453	23,14,33,841
(B) Current Maturities of Long Term Borrowings***				
Secured				
Current maturities of Term Loan from SBI			3,49,31,299	3,49,31,299
Current maturities of Term loan from UCO			5,31,06,000	5,31,06,000
Interest accrued and due			3,79,34,133	3,79,34,132
Total of Current Maturities of Long Term Borrowings			12,59,71,431	12,59,71,431
Total Current Borrowings (A+B)			33,98,05,885	35,74,05,271

* 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 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

**The company has made provisioning of simple interest in the financial statements for the first 3 Quarters on the amounts due towards SBI at the rate of 10% and UCO Bank at the rate of 12%. However, now, since the Corporate Insolvency Resolution Process has been initiated against the Company and the accounts of the Company have been classified as NPA, thus, there is no credible information on the basis of which the liability of the Company can be ascertained, therefore, provision of interest earlier made during the first 3 quarters has now been reversed while preparing the Annual Results for the year as the management is expecting full waiver of interest as per the Resolution Plan to be approved under Corporate Insolvency Resolution Process. For more information, refer Note No. 24.

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

12. Provisions

Provision for employee benefits

Current

Non-Current

31/03/2022	31/03/2021
INR	INR
45,71,257	42,81,175
45,71,257	42,81,175
4,97,304	4,53,653
40,73,953	38,27,522

13. Deferred Income

Deferred Income on account of Investment Subsidy

Deferred Income on account of Govt. grant for Property, Plant and Equipments

Current

Non-Current

31/03/2022	31/03/2021
INR	INR
9,22,000	11,22,000
90,49,728	1,03,34,929
99,71,728	1,14,56,929
14,85,201	14,85,201
84,86,527	99,71,728

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)

Deferred Tax Asset/ (Liability) - Net

Non-Current

31/03/2022	31/03/2021
INR	INR
-	-
-	-
-	-

Reconciliation of Tax Expense and the Accounting Profit multiplied by India's domestic Tax rate for 31 March 2021 and 31 March 2022:

Accounting Profit before Income Tax

At India's statutory Income Tax rate of 26%

Non-deductible Expenses for Tax purposes

Utilisation of previously unrecognised Tax Losses

Income tax expenses reported in the statement of Profit & Loss A/c

Reconciliation of Deferred Tax Liabilities (Net):

Opening Balance as on 1 April

Tax (Income)/Expense during the period recognised in Profit or Loss

Tax (Income)/Expense during the period recognised in OCI

Closing Balance as at 31 March

31/03/2022	31/03/2021
INR	INR
(2,61,74,968)	(2,75,79,950)
(68,05,492)	(71,70,787)
1,91,846	(1,16,605)
66,13,646	72,87,392
-	-
31/03/2022	31/03/2021
INR	INR
-	-
(47,518)	(8,79,311)
47,518	8,79,311
-	-

Deferred Tax relates to the following:

WDV of Property, Plant and Equipment and intangible assets (excluding freehold land)

Debt Component of CFI

Deferred income

Provision for Employee Benefits

Interest Accrued and due

Other Current Liabilities

Unabsorbed Depreciation

Business losses

Tax during the period recognised in OCI

Deferred Tax Asset to the extent of Deferred tax Liability written off

Balance Sheet		Profit & Loss	
31/03/2022	31/03/2021	31/03/2022	31/03/2021
2,18,99,283	2,45,21,639	(26,22,356)	(19,83,848)
-	3,09,87,795	(3,09,87,795)	23,324
(25,92,649)	-	(25,92,649)	-
(11,88,527)	(11,13,106)	(75,421)	25,19,898
(2,06,94,571)	(2,46,36,526)	39,41,955	(67,84,093)
(2,36,871)	(4,612)	(2,32,259)	(4,612)
(5,96,23,592)	(5,57,96,919)	(38,26,673)	(40,31,711)
(5,27,62,431)	-	(5,27,62,431)	-
-	-	(47,518)	8,79,311
11,51,99,358	2,60,41,729	8,91,57,629	1,02,61,042

Deferred Tax Expense/(Income)			(47,518)	8,79,311
Net Deferred Tax assets/(Liabilities)	-	-		

15. Other Liabilities	31/03/2022	31/03/2021
	INR	INR
Statutory Dues Payables	9,83,646	1,76,491
Other liabilities and payables	1,34,41,737	1,16,10,944
	1,44,25,383	1,17,87,435
Current	1,44,25,383	1,17,87,435

16. Trade payables	31/03/2022	31/03/2021
	INR	INR
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade Payables - Raw Material	6,65,89,468	6,46,91,180
Trade Payables - Others	21,03,301	26,95,418
	6,86,92,769	6,73,86,598

Trade Payables Ageing Schedule: (Amount in Rs.)

Particulars	Outstanding for following periods from date of the transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	3,41,64,944	46,89,584	1,41,56,949	1,56,81,292	6,86,92,769

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.

► The Company has not received information from any of its vendors under the Micro Small and Medium Enterprises Development Act, 2006.

Further, the Company has not received any claim for interest on late payment from any of these vendors.

► The company has written back creditors amounting to Rs. 31,04,858/- with whom 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	31/03/2022	31/03/2021
	INR	INR
Revenue from Sale of Products	13,82,68,415	7,44,90,202
Total	13,82,68,415	7,44,90,202

18. Other income	31/03/2022	31/03/2021
	INR	INR
Interest Income	-	92,898
Deferred Income- Govt. Grant	14,85,201	14,85,201
Other Non-Operating Income/(Expenses) (Net of Expenses directly attributable to such income)*	31,04,858	3,49,56,693
Total	45,90,059	3,65,34,792

* The other non-operating income of Rs. 31,04,858/- is on account of creditors that have been written off during the year.

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

Inventory at the beginning of the year
Add: Purchase
Less: Inventory at the end of the year
Cost of materials consumed

31/03/2022	31/03/2021
INR	INR
2,55,83,043	2,98,81,775
9,75,64,466	4,99,70,087
12,31,47,509	7,98,51,862
2,34,92,545	2,55,83,043
9,96,54,964	5,42,68,819

20. Employee benefits expense

Salaries and wages
Contribution to provident and other funds
Gratuity expense
Leave Encashment
Staff welfare expense
Total

31/03/2022	31/03/2021
INR	INR
2,14,54,923	1,28,65,048
3,11,456	2,16,292
4,09,364	6,03,096
3,24,842	(66,80,468)
2,08,691	40,883
2,27,09,276	70,44,851

21. Finance costs

Interest
Other borrowing cost:
Bank charges
Total

31/03/2022	31/03/2021
INR	INR
51,59,811	3,27,54,659
1,70,629	40,017
53,30,440	3,27,94,676

22. Other expenses

Power and Fuel
Other manufacturing Expenses
Repairs and maintenance
Plant and machinery
Building
Rent
Insurance
Selling Expenses
Vehicle Running & Maintenance
Travelling and conveyance
Legal and professional fees
Auditor's Remuneration
Bad debts
Security deposits written off
Other Expenses

31/03/2022	31/03/2021
INR	INR
58,86,093	36,14,072
46,48,094	13,09,843
7,43,546	1,10,337
44,400	-
2,81,000	3,80,000
2,20,886	3,61,376
75,27,511	25,54,954
-	15,500
6,15,341	1,46,138
19,39,487	10,26,786
1,10,000	1,10,000
2,72,668	1,29,11,703
12,11,439	-
12,67,146	15,11,587
2,47,67,610	2,40,52,296

Payment to Auditors

As auditor
For taxation matters

31/03/2022	31/03/2021
90,000	90,000
20,000	20,000
1,10,000	1,10,000

Other Expenses

Penalty Charges
Interest on late payment of statutory dues
Postage, Telegram & Telephone
Miscellaneous Administrative Expenses

31/03/2022	31/03/2021
1,63,184	9,05,085
5,02,660	3,33,764
76,409	57,686
5,24,892	2,15,052
12,67,146	15,11,587

23. Contingent liabilities

- (a) 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 in earlier years as shown in the following table:

(Amount in Rs. Lacs)

Sr.	SCN No. & Date	Order No. & Date	Name of the Party	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.

- (b) Interest on bank borrowings has not been provided for during the year due to the reasons mentioned in Note No. 11 (Borrowings), thus, the liability of the company is understated to the extent of interest not provided for and the liability in respect of the same may arise in future.

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 Lacs against the outstanding amount of Rs 1340.37 Lacs. However, the company defaulted to make the payment as per the said OTS Scheme.
As per the scheme, the Company was required to deposit Rs. 50 Lacs as upfront which was in addition to the amount required to be paid as per the schedule given below:-

Date	Amount (Rs in Lacs)
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 India on 27.08.2020 for extension of time for payment of balance unpaid compromise amount of Rs. 722 lacs 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 Lacs as per the schedule given below:

Date	Amount (Rs in Lacs)
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 Lacs till 31.03.2021 inclusive of upfront payment and the Company and promoters could not fulfill its commitment to repay the balance in time.

State Bank of India has classified the accounts of the company as Recalled Assets Account on 29.09.2021 and balance due has been transferred to Recalled Assets account by the Bank.

- c) The company has made provisioning of simple interest in the financial statements for the first 3 Quarters on the amounts due towards SBI at the rate of 10% and UCO Bank at the rate of 12%. However, now, since the Corporate Insolvency Resolution Process has been initiated against the Company and the accounts of the Company have been classified as NPA, thus, there is no credible information on the basis of which the liability of the Company can be ascertained, therefore, provision of interest earlier made during the first 3 quarters has now been reversed while preparing the Annual Results for the year as the management is expecting full waiver of interest as per the Resolution Plan to be approved under Corporate Insolvency Resolution Process.

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. 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 business losses of Rs. 1302.65 Lacs (pertaining to AY 2019-20) , Rs. 340.01 Lacs (pertaining to A.Y. 2020-21) and Rs. 201.44 Lacs (pertaining to A.Y. 2021-22) that are available for offsetting for eight years against future taxable profits of the Company.

The Company has brought forward unabsorbed depreciation amounting to Rs. 2224.07 lacs that are available for offsetting for an indefinite period 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.

27. Related Party Transactions

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

(in Lacs)

Key Management Personnel	As on Date	Short Term Employee Benefits	Post-Employment Benefits	Loans Given / (Received)	(Repayment) / Received	Amounts owed by Key Management Personnel
Amit Mahajan (Director Commercial and CFO)	31.03.2022	-	15.45	(145.95)	-	463.50
	31.03.2021		14.59	(204.82)	(125.79)	317.55
Munish Mahajan (Managing director)	31.03.2022	-	9.49	(45.20)	(1.26)	71.32
	31.03.2021	-	8.66	(27.70)	(0.33)	27.37
Company Secretary	31.03.2022	1.56	0.25	-	-	-
	31.03.2021	1.28	0.26	-	-	-

(in Lacs)

Particulars	As on Date	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Loans Given/ (Received)	(Repayment) / Received	Amounts payable to related parties
Entity in which the Directors are interested	31.03.2022	9.96	91.9	-	-	-	45.59
	31.03.2021	-	-	-	-	-	-
Directors	31.03.2022	-	-	-	(191.15)	(1.26)	534.82
	31.03.2021	-	-	-	(232.52)	(126.12)	344.92

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 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2022: 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.

28. Employee Benefits

A. Defined Contribution Plan

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

Particulars	2021-22	2020-21
Employer's contribution towards Provident Fund	2.42 Lac	1.67 Lac

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. Lacs)

Item	Gratuity		Leave Encashment	
	2022	2021	2022	2021
Net opening liability/(asset)	21.06	51.62	21.75	92.73
Expenses as recognized in P&L account	4.09	6.03	3.24	7.97
Re measurements	(2.40)	(33.82)	.57	(74.77)
Contributions/benefits paid	-	(2.77)	(2.61)	(4.18)
Net closing liability(asset)	22.74	21.06	22.96	21.75

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

Particulars	Gratuity		Leave Encashment	
	2022	2021	2022	2021
Fair value of plan assets at the beginning of the period	-	-	-	-
Expected Return on plan assets	-	-	-	-
Contributions paid by the employer	-	2.77	2.61	4.18
Benefit paid by Fund	-	(2.77)	(2.61)	(4.18)
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. Lacs)

Particulars	Gratuity		Leave Encashment	
	2022	2021	2022	2021
Present value of Defined Benefit Obligation/ Long Term Employment Benefit Plan	22.74	21.06	22.96	21.75
Fair Value of plan assets	-	-	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	22.74	21.06	22.96	21.75

F. Expense Recognized in Profit or Loss Statement

(Amount in Rs. Lacs)

Particulars	Gratuity		Leave Encashment	
	2022	2021	2022	2021
Current Service Cost	2.74	2.72	1.85	2.02

Interest Cost	-	-	-	-
Actuarial (Gain)/Loss of obligations	-	-	-	(74.77)
Actuarial (Gain)/Loss of plan assets	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	1.35	3.31	1.39	5.94
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	4.09	6.03	3.24	(66.80)

G. Amount Recognized in Other Comprehensive Income

(Amount in Rs. Lacs)

Particulars	Gratuity		Leave Encashment	
	2022	2021	2022	2021
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	(.51)	-	(.49)	-
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(1.89)	(33.82)	1.07	(74.77)
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	(2.40)	(33.82)	.57	(74.77)

H. Valuation Assumptions

(Financial)

Particulars	2022	2021
Discount Rate	6.81%	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. Lacs)

Item	Gratuity		Leave Encashment	
	2022	2021	2022	2021
Increase Discount Rate by 0.50%	22.13	20.46	22.36	21.14
Decrease Discount Rate by 0.50%	23.39	21.69	23.58	22.39

Increase Salary Inflation by 1%	24.08	22.36	24.20	23.03
Decrease Salary Inflation by 1%	21.52	19.87	21.80	20.56
Increase in Withdrawal Rate by 5%	23.25	21.39	23.50	22.22
Decrease in Withdrawal Rate by 5%	21.93	20.49	22.18	21.07

The values as reported in Point A to H above, have been taken as certified in the actuarial report for the FY 2021-22 dated 11 May, 2022.

29. 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:

Category	(Amount in Rs. Lacs)			
	Carrying Value		Fair Value	
	31-Mar-22	31-Mar-2021	31-Mar-22	31-Mar-21
Financial asset at amortized cost				
Loans (refer note no 4)	181.20	146.28	181.20	146.28
Other current financial assets (refer note no 6)	611.22	568.47	611.22	568.47
Financial liabilities at amortized cost				
Non-Current Borrowings including current maturities (refer note no 11)	2192.62	1872.80	2192.62	1872.80
Current borrowings (refer note no 11)	2138.34	2314.34	2138.34	2314.34

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, 2022

(Amount in Rs. Lac)

Particulars	Carrying Value March 31, 2022	Fair Value March 31, 2022		
		Level 1	Level 2	Level 3
Loans (refer note no 4)	181.20	-	181.20	-
Other current financial Assets (refer note no 6)	611.22	-	611.22	-

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

(Amount in Rs. Lacs)

Particulars	Carrying Value March 31, 2021	Fair Value March 31, 2020		
		Level 1	Level 2	Level 3
Loans (refer note no 4)	146.28	-	146.28	-
Other current financial assets (refer note no 6)	568.47	-	568.47	-

- (ii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2022

(Amount in Rs. Lacs)

Particulars	Carrying Value March 31, 2022	Fair Value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 11)	2192.62	-	2192.62	-
Current borrowings (refer note no 11)	2138.34	-	2138.34	-

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

(Amount in Rs. Lacs)

Particulars	Carrying Value March 31, 2021	Fair Value		
		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	-

30. 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. Lacs)		
Particulars	As at March 31,2022	As at March 31, 2021
Borrowings	4330.97	4187.14
Trade Payables	686.93	673.87
Less: Cash and Cash Equivalents	(6.10)	(4.56)
Net Debt	5011.80	4856.45
Equity Share Capital	1964.57	1964.57
Other Equity	(4652.86)	(4392.94)
Total Equity	(2688.29)	(2428.37)
Total Capital and Net Debt	2323.51	2428.08
Gearing Ratio	215.69%	200.01%

31. Reclassification

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

Rajender Kumar Jain	Amit Mahajan	Munish Mahajan
Resolution Professional	Director- Commercial	Managing Director
(Regd. No. IBBI/IPA-001/IP-	& Chief Financial Officer	(DIN: 00818243)
P00543/2017-18/10968)	(DIN: 00038593)	(Powers suspended)
	(Powers suspended)	

FOR M/S GOEL SATISH & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 010693N

(CA. Satish Goel)

Proprietor

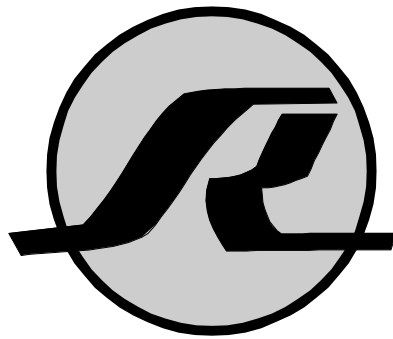
Place: Chandigarh

Date: 21.06.2022

Membership No. 089414

UDIN: 22089414ALLHNF8329

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 COMMITTEE

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

REGD. OFFICE

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

BANKERS

STATE BANK OF INDIA
UCO BANK

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 14th August, 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

Place: Mohali
Date: 03.09.2021

Sd/-
Udit Mayor
Chairman
DIN: 02425273

Sd/-
Munish Mahajan
Managing Director
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

Place: Mohali
Date: 03.09.2021

Sd/-
Udit Mayor
Chairman
DIN: 02425273

Sd/-
Munish Mahajan
Managing Director
DIN: 00818243

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)	

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

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	15 th September, 2020	4	4
5	15 th October, 2020	4	4
6	13 th November, 2020	5	5
7	24 th November, 2020	5	5
8	11 th February, 2021	5	5
9	16 th 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 14th August, 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, 2020 due 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 31st and 36th AGM for a tenure of 5 years. Further, the details of meeting of independent directors and familiarisation programme imparted to them are disclosed in the corporate governance report.



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	31 st Annual General Meeting for the Financial Year 2019-20	11:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
19.09.2019	30 th Annual General Meeting for the Financial Year 2018-19	09:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
27.09.2018	29 th 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 all the 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 enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		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		
<p>The accompanying notes are an integral part of the standalone Ind AS Financial Statements.</p> <p>As per our report of even date For and on behalf of the Board of Directors of S.R. Industries Limited</p> <p>For M/S Goel Satish & Co. Chartered Accountants ICAI Firm Registration Number: 010693N</p> <p>Amit Mahajan Director- Commercial & Chief Financial Officer (DIN: 00038827)</p> <p>Munish Mahajan Managing Director (DIN: 00818243)</p> <p>per CA. Satish Goel Partner</p>			
<p>Membership Number: 089414</p> <p>Place: Chandigarh Date: 03.07.2021</p> <p>CS. Neha Aggarwal Company Secretary PAN: ALCPA1877C</p>			

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
Depreciation 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	Munish Mahajan
		Director- Commercial	Managing Director
		& Chief Financial Officer	(DIN: 00818243)
		(DIN: 00038827)	
per CA. Satish Goel	CS. Neha Aggarwal		
Partner	Company Secretary		
Membership Number: 089414	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 accrued and due on Cash Credit		1,39,56,957	1,08,74,779
Increase/(Decrease) in Interest accrued 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)	
per CA. Satish Goel Partner: Membership Number: 089414		Munish Mahajan Managing Director (DIN: 00818243)	
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

At 31st March 2020

Changes during the year

At 31st March 2021

	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 modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is 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 data 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 asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use.

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

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	2,07,51,422	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	2,07,51,422	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	3,98,069	13,51,353	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	1,66,31,251	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	2,07,51,422	28,75,69,719
Additions	-	-	-	-	-	2,15,779	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	2,09,67,201	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	1,54,64,546	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	1,54,64,546	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	1,66,31,251	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**Unsecured, considered good**

(a) Others Advances

(b) Security

Current

Non Current

31-Mar-21	31-Mar-20
INR	INR
1,46,28,463	1,67,42,961
11,19,215	12,79,215
1,57,47,678	1,80,22,176
1,46,28,463	1,67,42,961
11,19,215	12,79,215

5. Inventories

(valued at lower of cost and net realisable value)

(a) Raw Materials

(b) Work-in-progress

(c) Finished Goods

(d) Consumable

(e) Stores and spares

Total

31-Mar-21	31-Mar-20
INR	INR
1,41,50,895	1,51,71,427
-	-
16,91,528	33,32,400
1,14,32,148	1,47,10,348
6,56,976	11,76,310
2,79,31,547	3,43,90,485

6. Trade receivables**Considered good**

Secured

Unsecured

Total

31-Mar-21	31-Mar-20
INR	INR
-	-
5,68,47,082	5,63,82,500
5,68,47,082	5,63,82,500

The Company has written off Trade Receivables amounting to **Rs. 129.11 Lakhs** Which remained outstanding for over three years, which despite the best efforts by the management, 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 off 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

(a) Bank balances on current accounts

(i) Bank balances held as margin money or as security against:

Guarantees

(ii) Other Bank balances

(b) Cash on hand

Total

Cash & Cash Equivalents

Bank Balance other than above

31-Mar-21	31-Mar-20
INR	INR
-	10,08,434
8,280	15,305
4,47,378	56,62,917
4,55,658	66,86,656
4,55,658	56,78,222
-	10,08,434

8. Other Financial Assets**Unsecured, considered good**

(a) Balance with statutory/ government authorities

(b) Interest accrued on Security Deposits

Current

31-Mar-21	31-Mar-20
INR	INR
28,46,711	7,15,398
1,18,024	78,024
29,64,735	7,93,422
29,64,735	7,93,422

9. Share Capital

9.1 Authorised Share Capital

	No.	INR
(a) Equity Shares		
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

At 31 March 2020
Changes during the year
At 31 March 2021

Subscribed & Fully Paid	Subscribed but not Fully Paid
19,64,57,000	2,78,000
-	-
19,64,57,000	2,78,000

(b) Equity Component of redeemable Preference Shares of INR 100 each issued and fully paid

At 31 March 2020
Changes during the year
At 31 March 2021

No.	INR
14,60,000	9,81,11,062
-	-
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 Intercompany (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
(B) Other Financial liabilities					
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
<p>* 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:</p> <ol style="list-style-type: none"> 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 					
<p>** 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 existing 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.</p>					
<p>*** 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.</p>					
<p>**** The entire amount due to SBI and UCO Bank has become overdue for payment. That's why it is shown under short term borrowings.</p>					

12. Provisions

(a) Provision for employee benefits

Current

Non-Current

31-Mar-21	31-Mar-20
INR	INR
42,81,175	1,44,35,014
42,81,175	1,44,35,014
4,53,653	85,28,264
38,27,522	59,06,750

13. Deferred Income

(a) Deferred Income on account of Investment Subsidy

(b) Deferred Income on account of Govt. grant for Property, Plant and Equipments

Current

Non-Current

31-Mar-21	31-Mar-20
INR	INR
11,22,000	13,22,000
1,03,34,929	1,16,20,130
1,14,56,929	1,29,42,130
14,85,201	14,85,201
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)

Deferred Tax Asset/ (Liability) - Net

Non-Current

31-Mar-21	31-Mar-20
INR	INR
-	-
-	-
-	-

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

Accounting Profit before Income Tax

At India's statutory Income Tax rate of 26%

Non-deductible Expenses for Tax purposes

Utilisation of previously unrecognised

Tax Losses

Income tax expenses reported in the statement of Profit & Loss A/c

31-Mar-21	31-Mar-20
INR	INR
(2,75,79,950)	(7,52,92,032)
(71,70,787)	(1,89,49,499)
(1,16,605)	81,29,059
72,87,392	1,08,20,440
-	-

**Reconciliation of Deferred Tax
Liabilities (Net):**

Opening Balance as on 1 April
Tax (Income)/Expense during the
period
recognised in Profit or Loss

Tax (Income)/Expense during the
period
recognised in OCI

Closing Balance as at 31 March

31-Mar-21	31-Mar-20
INR	INR
(0)	(86,01,449)
(8,79,311)	88,07,877
8,79,311	(2,06,428)
(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 Deferred 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 whom 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

Inventory at the beginning of the year
Add: Purchase

Less: Inventory at the end of the year
Cost of materials consumed

31-Mar-21	31-Mar-20
INR	INR
2,98,81,775	4,66,83,122
4,99,70,087	9,00,51,846
7,98,51,862	13,67,34,968
2,55,83,043	2,98,81,775
5,42,68,820	10,68,53,193

20. Employee benefits expense

(a)Salaries, wages and bonus
(b) Contribution to provident and other funds
(c)Gratuity expense
(d) Leave Encashment
(e)Staff welfare expenses

31-Mar-21	31-Mar-20
INR	INR
1,28,65,048	2,89,39,292
2,16,292	7,97,607
6,03,096	9,20,088
(66,80,468)	3,04,290
40,883	8,93,144
70,44,851	3,18,54,421

21. Finance costs

(a) Interest expense
(b) Other borrowing costs

31-Mar-21	31-Mar-20
INR	INR
3,27,54,658	2,08,33,977
40,017	36,583
3,27,94,676	2,08,70,560

22. Other expenses

(a) Power and Fuel
(b) Other manufacturing expenses
(c) Repairs and maintenance
Plant and machinery
(d) Rent
(e) Insurance
(f) Selling Expenses
(g) Vehicle Running & Maintenance
(h) Travelling and conveyance
(i) Legal and professional fees
(j) Auditor's Remuneration
Statutory audit fees
Tax audit fees
(k) Bad debts
(l) Exice duty of early years paid
(m) Balance with revenue authorities written off
(n) Other Expenses

31-Mar-21	31-Mar-20
INR	INR
36,14,072	63,08,278
13,09,843	40,88,946
1,10,337	95,673
3,80,000	17,90,000
3,61,376	3,04,225
25,54,954	82,31,274
15,500	8,80,064
1,46,138	7,99,297
10,26,786	18,18,983
90,000	90,000
20,000	20,000
1,29,11,703	2,95,51,164
-	1,42,89,450
-	6,14,824
15,11,587	8,66,362
2,40,52,296	6,97,48,540

Other Expenses

(a) Penalty Charges
(b) Interest on late payment of TDS
(c) Postage, Telegram & Telephone
(d) Miscellaneous Administrative Expenses

31-Mar-21	31-Mar-20
9,05,085	2,94,732
3,33,764	-
57,686	2,60,734
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

- 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.
- 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 India on 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 April 2020 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
Amit Mahajan (Director Commercial)	31/03/2021	-	14.59	-	-	-

Key Management Personnel	As on Date	Short Term Employee Benefits	Post-Employment Benefits	Loans Given/ (Received)	(Repayment)/ Received	Amounts owed by Key Management Personnel
	31/03/2020	1.06	13.09	-	-	-
Amit Mahajan (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 values as 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	Fair Value		
		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.

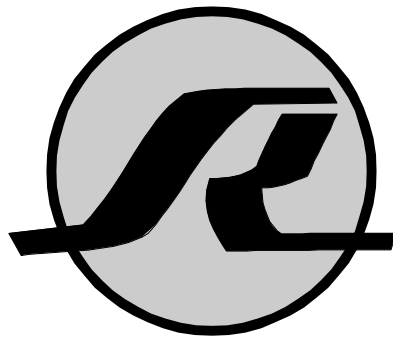
Chartered Accountants
Firm Registration No. 010693N

Place: CHANDIGARH
Date: 03.07.2021

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

Thirty-First Annual Report

2019-20



S. R. INDUSTRIES LIMITED

BOARD OF DIRECTORS

NAME	DIN	DESIGNATION
MR UDIT MAYOR	02425273	CHAIRMAN* AND INDEPENDENT DIRECTOR
MR. R. C. MAHAJAN**	00038661	MANAGING DIRECTOR
MR. AMIT MAHAJAN**	00038827	DIRECTOR (OPERATIONS)
MR. AMIT MAHAJAN	00038593	DIRECTOR (COMMERCIAL)
MRS. SEEMA MAHAJAN**	06978146	INDEPENDENT DIRECTOR

**Mr. Udit Mayor was designated as Chairman w.e.f. 25th June, 2020.*

***Mr. R. C. Mahajan, Mr. Amit Mahajan and Mrs. Seema Mahajan, resigned from the Board of the Company w.e.f. 14th August, 2020.*

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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

COMPANY SECRETARY AND COMPLIANCE OFFICER

MS. SAMANDEEP KAUR (Resigned w.e.f. June 4, 2020)
MS. NEHA AGGARWAL (Appointed w.e.f. Sep 15, 2020)

CHIEF FINANCIAL OFFICER

MR. AMIT MAHAJAN

STATUTORY AUDITORS

M/s KANSAL JAIN AND ASSOCIATES
(Formerly known as N J & ASSOCIATES)

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 Thirty First Annual Report and the Audited Statement of Accounts for the year ended March 31, 2020.

FINANCIAL RESULTS

(In lakhs)

PARTICULARS	2019-20	2018-19
Turnover	1683.10	2524.04
Other Income	215.42	92.13
Profit / (loss) before interest, depreciation and taxation	-330.22	-1267.92
Financial Expenses	-208.71	-518.44
Profit / (loss) before depreciation & taxation		-1786.36
Depreciation-	-213.99	-216.82
Deferred tax	88.07	268.17
OTHER COMPREHENSIVE INCOME		
Re-measurement Gains/(Losses) on defined benefit plans	8.20	8.54
Income tax effect	-2.06	-2.22
Net Profit / (loss) after tax	-658.70	-1728.69
Earning per share ()	-3.38	-12.47
Basic / Diluted	-3.38	-12.47

FUTURE PROSPECTS

The board of directors inform that the company produced 0.43 Million pairs of shoes, sandals and other footwear during the current year as against 0.73 million pairs during the previous year. This decline is due to weak business environment as well as decline in performance of the company on account of the financial constraints being faced. The Company has faced this challenging scenario head on with constant efforts to improve the performance. At the same time the Company is looking at various possible solutions to overcome the financial constraints being faced. The Company is looking towards improved performance in the years to come.

STATE OF COMPANY'S AFFAIRS

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

a mutually acceptable solution with the banks, and this shall enable it to work towards improvement in performance.

DIVIDEND

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

TRANSFER TO RESERVES

The company has transferred loss of ₹ 65,870,384/- during the year to Reserves & Surplus.

SHARE CAPITAL

The paid up Equity share capital as on 31st March, 2020 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.

The company has received listing and trading approval of the 57,57,500 equity shares of Rs. 10/- each issued at par bearing distinctive numbers from 13916001 to 19673500 issued to Non-Promoters on a preferential basis pursuant to the conversion of Compulsory Convertible Debentures (CCDs) during the year under review.

FINANCE

(a) Working Capital

The working capital limits stood at ₹22.01 crores as on 31st March, 2020.

(b) Term Loan

The term loans stood at ₹11.61 crores as on 31st March, 2020.

(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

The honourable Prime Minister had announced nationwide lockdown to curb the spread of COVID-19 on 25th March and hence the operations of our Company were suspended since 25 March 2020. The manufacturing units of the Company remained closed till 5th August 2020 due to the extension of the lockdowns. Even after the nationwide lockdown was lifted, the operations remained suspended because of the numerous restrictions on movement of people and materials. We have resumed the operations on 6th August 2020, and the operations are improving slowly, but steadily since then.

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, 2020. The details of the policy are posted on the website of the Company at www.srfootwears.com.

RELATED PARTY TRANSACTIONS

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

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

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

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of Company, Mr. Amit Mahajan, (DIN: 00038593), Director (Commercial), shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. M. M. Puri, (DIN: 01711466) resigned from the Board of the Company on 12th June, 2019. Mr. Udit Mayor (DIN: 02425273) was appointed as Director on the Board of the Company on 14th August, 2019. Mr. R. K. Bhandari (DIN: 00354242) resigned from the Board of the Company on 23rd December, 2019.

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, 2020, the Board had five members, three of whom are executive directors and two 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, four board meetings were held on 30th May, 2019, 14th August, 2019, 14th November, 2019 and 14th February, 2020. The attendance of directors and the details thereof are provided in the Corporate Governance Report.

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year Calendar Year 2019:

- 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, 2020, 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, 2020 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 Kansal Jain and Associates (Formerly known as N J & Associates), Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company and they shall hold office till the conclusion of the Annual General Meeting to be held for the Financial Year 2021-22.

2. SECRETARIAL AUDITORS

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

MANAGEMENT'S REPLY ON QUALIFICATIONS BY AUDITORS

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

The Observations of the Auditors are self-explanatory and needs no further 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 2019-20.

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.

EXTRACT OF ANNUAL RETURN

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

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, 2019:

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

Place: Mohali
Date: 24.11.2020

Sd/-
Udit Mayor
Chairman
DIN: 02425273

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

For and on behalf of the Board

Place: Mohali
Date: 24.11.2020

Sd/-
Udit Mayor
Chairman
DIN: 02425273

Sd/-
Munish Mahajan
Managing Director
DIN: 00818243

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	2019-20	2018-19
1	ELECTRICITY		
	Purchased Units (in lacs)	08.18	10.43
	Total Amount (/lacs)	63.08	77.84
	Average Rate/Unit (₹)	7.71	7.46
2	OWN GENERATION		
	Through Diesel Generator		
	Unit (in lacs)	0.10	0.23
	Unit / Ltr. of Diesel Oil	2.18	3.10
	Average Cost / Unit (₹)	20.40	21.92
3	WOOD		
	Wood (M.T.)	132.85	315.28
	Total Amount (/lacs)	5.64	11.00
	Average Rate (/M.T.)	4.25	3.49

B) CONSUMPTION PER UNIT OF PRODUCTION

S. NO.	PARTICULARS	2019-20	2018-19
1	Footwear (Million Pairs)	0.43	0.73

2	Electricity (Kwh/Pairs)	1.90	1.43
3	Diesel (Ltr./Pairs)	0.01	0.02
4	Pet Coke / Wood (M.T./Pairs)	0.001	0.001

2. TECHNOLOGY ABSORPTION

A. Research & Development (R&D)

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

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

b. Benefits derived as a result of R & D

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

c. Future plan of action

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

d. Expenditure on R & D

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

B. Technology absorption, 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	2019-20	2018-19	Rs./Lakh
1	Foreign exchange earned (including deemed exports)	0.00	0.00	
2	Foreign exchange used	5.51	27.17	
3	Net foreign exchange earned	(5.51)	(27.17)	

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

[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 31 March 2020. 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, 2020** 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, 2020** according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder; - **Complied as per Annexure I**
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.
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:**

There are pending litigation in Debt Recovery Tribunal in following matters:

- (i) State Bank of India vs S R Industries Limited and Last date of hearing was 19th June, 2020 and matter were adjourned due to Covid-19 Pandemic.
- (ii) UCO Bank vs S R Industries Limited hearing due on 23rd October, 2020.

The banks have also classified the accounts of company as NPA and issued notice under SAFAESI Act, 2002.

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;
- 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 there are adequate systems and processes in place in the Company which is 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: A012333B000584707

Date: 17th August, 2020
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 30th Annual General Meeting held on **19th September, 2019**.
- 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

Date: 17th August, 2020
Place: Chandigarh

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: 17th August, 2020
Place: Chandigarh

Annexure 3**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

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

1. REGISTRATION AND OTHER DETAILS:

CIN	L29246PB1989PLC009531
REGISTRATION DATE	19/07/1989
NAME OF THE COMPANY	S R INDUSTRIES LTD
CATEGORY / SUB-CATEGORY OF THE COMPANY	Public Company / Company limited by Shares / Non-government company
ADDRESS OF THE REGISTERED OFFICE OF THE COMPANY	E- 217, Industrial Area, Phase 8B, Mohali - Punjab
WHETHER LISTED COMPANY	Yes
NAME, ADDRESS AND CONTACT DETAILS OF THE REGISTRAR AND TRANSFER AGENTS, IF ANY	Link Intime India Pvt. Ltd. C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai- 400083 Tel: +9122-49186000, Fax: +9122-49186060, e-mail: mumbai@linkintime.co.in

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name & Description of main products / services	NIC Code of the Product / Services	% to total turnover of the Company
1.	Footwear	1520 – Manufacture of Foot wears	100%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate Company	% of shares held	Applicable Section

4. SHAREHOLDING PATTERN (Equity share capital breakup as a percentage of total Equity)**i. Category wise Shareholding**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares
A. PROMOTERS								
1. INDIAN								
a) Individual / HUF	2923913	-	2923913	14.86	2923913	-	2923913	14.86
b) Central Govt	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-
d) Bodies Corporate	965352	-	965352	4.91	965352	-	965352	4.91
e) Banks / FI	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-
Sub Total A(1)	3889265	-	3889265	19.77	3889265	-	3889265	19.77
2. FOREIGN								
a) NRI – Individuals	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-
Sub Total A(2)	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= A(1)+ A(2)	3889265	-	3889265	19.77	3889265	-	3889265	19.77
B. PUBLIC SHAREHOLDING								
1. INSTITUTIONS								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-
Sub total B(1)	-	-	-	-	-	-	-	-
2. NON-INSTITUTIONS								

a) Bodies Corp								
I. Indian	610632	248000	858632	4.36	582747	248000	830747	4.22
II. Overseas	-	-	-	-	-	-	-	-
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2628760	1465010	5518404	28.05	2946415	1453710	4399725	22.36
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4030482	-	8256732	41.97	9448842	-	9448842	48.03
c) Others								
(d) Non- Resident Indians	28055	-	28055	0.14	28855	-	28855	0.15
(di) HUF	1086647	-	1086647	5.52	1075066	-	1075066	5.46
(dii) Clearing Member	35765	-	35765	0.18	1000	-	1000	0.01
Sub total B(2)	8420341	1713010	15784235	80.23	14082925	1701710	15784235	80.23
Total Public Shareholding (B)= B(1) + B(2)	8420341	1713010	15784235	80.23	14082925	1701710	15784235	80.23
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs								
	-	-	-	-	-	-	-	-
Grand total (A+B+C)	12309606	1713010	19673500	100	17972190	1701710	19673500	100

ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares
1	Amit Mahajan	1350313	6.86	3.78	1350313	6.86	3.78
2	Ramesh Chander Mahajan	510800	2.60	2.59	510800	2.60	2.59
3	Amit Mahajan	411450	2.09	2.07	411450	2.09	2.07
4	Anuj Mahajan	406250	2.07	0.52	406250	2.07	0.52
5	Suman Mahajan	185100	0.94	0.71	185100	0.94	0.71
6	R C Mahajan	50000	0.25	0.00	50000	0.25	0.00
7	Munish Mahajan	10000	0.05	0.00	10000	0.05	0.00
8	Universal Cyber Infoway Limited	393177	2.00	0.00	393177	2.00	0.00
9	Pride Properties Private Limited	312675	1.59	1.07	312675	1.59	1.07
10	Susang Mac Private Limited	259500	1.32	1.32	259500	1.32	1.32

i. Change in Promoter's shareholding

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Amit Mahajan					
	At the beginning of the year	1350313	6.86	31.03.2019	1350313	6.86
	Bought/sold during the year	-	-		-	-
	At the end of the year	1350313	6.86	31.03.2020	1350313	6.86
2	Ramesh Chander Mahajan					
	At the beginning of the year	510800	2.60	31.03.2019	510800	2.60
	Bought/sold during the year	-	-		-	-
	At the end of the year	510800	2.60	31.03.2020	510800	2.60
3	Amit Mahajan					
	At the beginning of the year	411450	2.09	31.03.2019	411450	2.09
	Bought/sold during the year	-	-		-	-
	At the end of the year	411450	2.09	31.03.2020	411450	2.09
4	Anuj Mahajan					
	At the beginning of the year	406250	2.07	31.03.2019	406250	2.07
	Bought/sold during the year	-	-		-	-
	At the end of the year	406250	2.07	31.03.2020	406250	2.07
5	Suman Mahajan					
	At the beginning of the year	185100	0.94	31.03.2019	185100	0.94
	Bought/sold during the year	-	-		-	-
	At the end of the year	185100	0.94	31.03.2020	185100	0.94
6	R C Mahajan					
	At the beginning of the year	50000	0.25	31.03.2019	50000	0.25
	Bought/sold during the year	-	-		-	-
	At the end of the year	50000	0.25	31.03.2020	50000	0.25
7	Munish Mahajan					
	At the beginning of the year	10000	0.05	31.03.2019	10000	0.05
	Bought/sold during the year	-	-		-	-

	At the end of the year	10000	0.05	31.03.2020	10000	0.05
8	Universal Cyber Infoway Limited					
	At the beginning of the year	393177	2.00	31.03.2019	393177	2.00
	Bought/sold during the year	-	-		-	-
	At the end of the year	393177	2.00	31.03.2020	393177	2.00
9	Pride Properties Private Limited					
	At the beginning of the year	312675	1.59	31.03.2019	312675	1.59
	Bought/sold during the year	-	-		-	-
	At the end of the year	312675	1.59	31.03.2020	312675	1.59
10	Susang Mac Private Limited					
	At the beginning of the year	259500	1.32	31.03.2019	259500	1.32
	Bought/sold during the year	-	-		-	-
	At the end of the year	259500	1.32	31.03.2020	259500	1.32

iv. **Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of ADRs and GDRs)**

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	GITA KIRTI AMBANI					
	At the beginning of the year	1102500	5.60	31.03.2019	1102500	5.60
	Corporate Action	1102500	5.60	28.02.2020	1102500	5.60
	At the end of the year	1102500	5.60	31.03.2020	1102500	5.60
2	UDAYAN SHANKARRAO GADAKH					
	At the beginning of the year	980000	4.98	31.03.2019	980000	4.98
	Corporate Action	980000	4.98	28.02.2020	980000	4.98
	At the end of the year	980000	4.98	31.03.2020	980000	4.98
3	AVINASH SUDHAKAR FOUJDAR					
	At the beginning of the year	327685	1.67	31.03.2019	327685	1.67
	Bought during the year	10000	0.05	26.04.2019	337685	1.72
	Sold during the year	13195	0.07	03.05.2019	324490	1.65
	Bought during the year	13195	0.07	17.05.2019	337685	1.72
	Bought during the year	7925	0.04	14.06.2019	345610	1.76
	Bought during the year	75	0.00	21.06.2019	345685	1.76
	Bought during the year	2000	0.01	29.06.2019	347685	1.77
	At the end of the year	347685	1.77	31.03.2020	347685	1.77
4	ANITA HITESH JAIN					
	At the beginning of the year	339750	1.73	31.03.2019	339750	1.73
	Bought during the year	293	0.00	19.07.2019	340043	1.73
	Corporate Action	306250	1.73	28.02.2020	340043	1.73
	At the end of the year	340043	1.73	31.03.2020	340043	1.73
5	V RAJKUMARI					
	At the beginning of the year	306250	1.56	31.03.2019	306250	1.56
	Corporate Action	306250	1.56	28.02.2020	306250	1.56
	At the end of the year	306250	1.56	31.03.2020	306250	1.56
6	RAMLAL KAWARLAL JAIN HUF					
	At the beginning of the year	205882	1.05	31.03.2019	205882	1.05
	At the end of the year	205882	1.05	31.03.2020	205882	1.05
7	ARATI JAYESH PARMAR					
	At the beginning of the year	183750	0.93	31.03.2019	183750	0.93

	Corporate Action	183750	0.93	28.02.2020	183750	0.93
	At the end of the year	183750	0.93	31.03.2020	183750	0.93
8	URVI NIMESH CHITALIA					
	At the beginning of the year	183750	0.93	31.03.2019	183750	0.93
	Corporate Action	183750	0.93	28.02.2020	183750	0.93
	At the end of the year	183750	0.93	31.03.2020	183750	0.93
9	MANISH MANGILAL SHAH-HUF .					
	At the beginning of the year	183750	0.93	31.03.2019	183750	0.93
	Corporate Action	183750	0.93	28.02.2020	183750	0.93
	At the end of the year	183750	0.93	31.03.2020	183750	0.93
10	OM PRAKASH CHUGH .					
	At the beginning of the year	183750	0.93	31.03.2019	183750	0.93
	Corporate Action	183750	0.93	28.02.2020	183750	0.93
	At the end of the year	183750	0.93	31.03.2020	183750	0.93

V. Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year
1.	RAMESH CHANDER MAHAJAN [MANAGING DIRECTOR]	No. of shares	% of total shares of the company	No. of shares
	At the beginning of the year	510800	2.60	510800
	Date wise increase / decrease in shareholding during the year specifying the reasons	NIL	NIL	NIL
	At the end of the year	510800	2.60	510800
2.	AMIT MAHAJAN [DIRECTOR- COMMERCIAL AND CFO]			
	At the beginning of the year	1350313	6.86	1350313
	Date wise increase / decrease in shareholding during the year specifying the reasons	NIL	NIL	NIL
	At the end of the year	1350313	6.86	1350313
3.	AMIT MAHAJAN [DIRECTOR- OPERATIONS]			
	At the beginning of the year	411450	2.09	411450
	Date wise increase / decrease in shareholding during the year specifying the reasons	NIL	NIL	NIL
	At the end of the year	411450	2.09	411450
4.	RAMESH KUMAR BHANDARI [CHAIRMAN]			
	At the beginning of the year	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
5.	SEEMA MAHAJAN			
	At the beginning of the year	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
6.	M. M. PURI			
	At the beginning of the year	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
7.	UDIT MAYOR			

	At the beginning of the year	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-
8.	SAMANDEEP KAUR ARYA [COMPANY SECRETARY]			
	At the beginning of the year	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons	-	-	-
	At the end of the year	-	-	-

5. INDEBTEDNESS

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

(in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount EXCLUDING INTEREST	8.80	6.93	-	15.73
ii) Interest due but not paid	2.17	-	-	2.17
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10.97	6.93	-	17.90
Change in indebtedness during the financial year				
Addition	0.64	0.55		1.19
Reduction		1.56		1.56
Net Change	0.64	-1.01		-0.37
Indebtedness at the end of the Financial Year				
i) Principal Amount	8.80	5.92		14.72
ii) Interest due but not paid	2.81			2.81
iii) Interest accrued but not due				
Total (i+ii+iii)	11.61	5.92		17.53

6. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

(In lacs)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		Ramesh Chander Mahajan	Amit Mahajan Director (Operations)	Amit Mahajan Director (Commercial)
a)	Gross Salary			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.00	0.00	0.00
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	2.55	-	1.06
	c. Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	I) As a % of profit	-	-	-
	II) Others, specify			
5.	Others			
	Total (A)	2.55	0.00	1.06
	Ceiling as per the Act			

a) Remuneration to other Directors:

(In lacs)

S. No.	Particulars of Remuneration	Name of Directors			
		Ramesh Kumar Bhandari	Madan Mohan Puri	Seema Mahajan	Udit Mayor
1.	Independent Directors				
	a) Fees for attending board committee meetings	-	-	-	-

	b) Commission	-	-	-	-
	c) Others	-	-	-	-
	Total (1)	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-
	a) Fees for attending board committee meetings	-	-	-	-
	b) Commission	-	-	-	-
	c) Others	-	-	-	-
	Total (2)	-	-	-	-
	Total B (1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall ceiling as per the Act				

b) Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(In lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	CFO
1.	Gross Salary	-	3.48	-
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission III) As a % of profit IV) Others	-	-	-
5.	Others	-	-	-
	Total	-	3.48	-

7. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES

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

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, 2020 is five directors. The Board comprises of the optimum combination of executive and non-executive directors. Three Directors including the Managing Director are Whole Time Directors (Executive Directors). There are two 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 September 19, 2019	No. of Directorship(s) held**		No. of Committee Memberships**	
						As a Director	As a Chairman	As a Chairman	As a Member
1	Mr. R. K. Bhandari*	00354242	Independent & Non-Executive	0	No	3	1	1	1
2	Mr. R. C. Mahajan	00038661	Managing Director	4	Yes	2	0	0	0
3	Mr. Amit Mahajan	00038593	Whole Time Director	3	Yes	4***	0	0	2
4	Mr. Amit Mahajan	00038827	Whole time Director	2	Yes	1	0	0	1
5	Mr. M. M. Puri*	01711466	Independent & Non-Executive	0	No	1	0	1	1
6	Mrs. Seema Mahajan	06978146	Independent & Non-Executive	4	Yes	1	0	1	1
7	Mr. Udit Mayor*	02425273	Independent & Non-Executive	2	No	1	0	1	2

*Mr. M. M. Puri, (DIN: 01711466) resigned from the Board of the Company on 12th June, 2019. Mr. Udit Mayor (DIN: 02425273) was appointed as Director on the Board of the Company on 14th August, 2019. Mr. R. K. Bhandari (DIN: 00354242) resigned from the Board of the Company on 23rd December, 2019.

** Including this entity.

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

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

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

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

S. No.	Name of the director	Designation	Relationship Inter-se
1	Mr. Ramesh Kumar Bhandari	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
5	Mr. Madan Mohan Puri	Director	Independent Director
6	Mrs. Seema Mahajan	Director	Independent Director
7	Mr. Udit Mayor	Director	Independent Director

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 14th November, 2019, 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 2019-20, four board meetings were held, the details of which are provided as follows:

S. No.	Date of the Board Meeting	Particulars of Board Meeting	No. of Directors on the date of the Meeting	No. of directors attended the meeting
1	30 th May, 2019	199 th Board Meeting	6	5
2	14 th August, 2019	200 th Board Meeting	5	3
3	14 th November, 2019	201 st Board Meeting	6	4
4	14 th February, 2020	202 nd Board Meeting	5	4

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

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

Names of Directors/ Skills/ expertise/ competencies	Creative eye	Technical knowledge of the product	Managing Staff	Marketing
Mr. R. K. Bhandari	9	10	8	6
Mr. R. C. Mahajan	10	10	10	10
Mr. Amit Mahajan Director- Operations	10	10	10	10
Mr. Amit Mahajan Director- commercial	10	10	10	10
Mr. M. M. Puri	8	7	10	8
Mrs. Seema Mahajan	8	6.5	8	8
Mr, Udit Mayor	10	9	8	8

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

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

RESIGNATION OF INDEPENDENT DIRECTOR(S)

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

Mr. M. M. Puri, (DIN: 01711466) resigned from the Board of the Company on 12th June, 2019. In his resignation, he has stated the reason for resigning is due to his advancing age. He has also confirmed that there is no other material reason other than what is stated in his resignation.

Mr. R. K. Bhandari (DIN: 00354242) resigned from the Board of the Company on 23rd December, 2019 due to his personal reasons. He has also confirmed that there is no other material reason other than what is stated in his resignation.

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, 2020 comprises of the following members:

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

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the erstwhile applicable Clause 49 of the Listing Agreement. The Audit Committee of the Company has such powers as are detailed in Section 177 of the Companies Act, 2013 and provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the committee are qualified, experienced and professional having knowledge in industry, finance, project monitoring, company law and other related matters.

POWERS OF AUDIT COMMITTEE:

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

TERMS OF REFERENCE OF AUDIT COMMITTEE:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
3. Approval for payment to statutory auditors for any services rendered by the statutory auditors
4. Reviewing, with management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) in the draft auditor's report
5. Reviewing, with management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency

monitoring the utilization of proceeds of a public or a rights issue, making appropriate recommendations to the board to take up steps in this matter

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
8. Approval or any subsequent modification of transactions of the listed entity with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing, with management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with internal auditors of any significant findings and follow up thereon
15. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18. To review the functioning of the whistle blower mechanism
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
20. Reviewing the following information:
 - a) The Management discussion and Analysis of the financial condition and results of operations
 - b) Statement of significant related party transactions submitted by management
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors
 - d) Internal audit reports relating to internal control weaknesses
 - e) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
 - f) Statement of deviations:
 - (i) Quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

MEETING DETAILS:

During the year under review, the Audit Committee met four times on 30th May 2019, 14th August 2019, 14th November, 2019 and 14th February, 2020. The attendance at the Audit Committee Meetings is as follows:

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. R. K. BHANDARI	3	1
MR. M. M. PURI	1	1
MR. AMIT MAHAJAN (DIN 00038593)	4	3

MR. UDIT MAYOR	2	2
MR. AMIT MAHAJAN (DIN 00038827)	4	1
MRS. SEEMA MAHAJAN	4	2

➤ **NOMINATION AND REMUNERATION COMMITTEES**

The Nomination and Remuneration Committee, as on 31st March, 2020 comprised of:

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

*Mr. M. M. Puri, (DIN: 01711466) resigned from the Board of the Company on 12th June, 2019. Mr. R. K. Bhandari (DIN: 00354242) resigned from the Board of the Company on 23rd December, 2019.

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

TERMS OF REFERENCE OF THE COMMITTEE:

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

RESPONSIBILITIES OF THE COMMITTEE:

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

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

MEETING DETAILS

During the year under review, the Nomination and Remuneration Committee met 1 time on 14th August, 2019.

NAME OF THE MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
MR. M. M. PURI, INDEPENDENT DIRECTOR	1	0
MR. R. K. BHANDARI, CHAIRMAN	1	1
MRS. SEEMA MAHAJAN, INDEPENDENT DIRECTOR	1	1
MR. UDIT MAYOR, INDEPENDENT DIRECTOR	1	0

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

➤ **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee comprises of:

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

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

NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Samandeep Kaur Arya - Company Secretary cum Compliance Officer

(Resigned w.e.f. June 4, 2020)

DETAILS OF SHAREHOLDERS' COMPLAINTS

No. of shareholders' complaints received so far:	1
No. of shareholders' complaints not solved to the satisfaction of shareholders:	NIL
No. of shareholders' complaints pending:	1

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.

The performance evaluation of independent directors has been done by entire Board of directors excluding the director being evaluated in its 203rd Meeting held on 25th June, 2020.



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 26th and 30th AGM for a tenure of 5 years. Further, the details of meeting of independent directors and familiarisation programme imparted to them are disclosed in the corporate governance report.



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

Disclosures pursuant to Regulation 26 have been received by the company from the directors and senior management as applicable and the same has been taken on record by the Board in its 203rd Meeting held on 25th June, 2020.



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
19.09.2019	30 th Annual General Meeting for the Financial Year 2018-19	09:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
27.09.2018	29 th Annual General Meeting for the Financial Year 2017-18	09:00 A. M.	E-217, Industrial Area, Phase 8B, Mohali	Yes
18.09.2017	28 th Annual General Meeting for the Financial Year 2016-17	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:

b) 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.

c) 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.

d) Modified opinion(s) in audit report

The Company's financial statements for the financial year ending 31st March 2020 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.

e) 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.

f) Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.



GENERAL SHAREHOLDER'S INFORMATION



ANNUAL GENERAL MEETING

The Thirty First Annual General Meeting of the Company is scheduled to be held on Friday, the 18th day of December, 2020 at 11:00 AM at the registered office of the Company.



FINANCIAL YEAR

The Financial Year for which the Report / Accounts pertain is from 1st April, 2019 to 31st March, 2020.



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 2019-20 has been paid to the Bombay Stock Exchange (BSE).



STOCK CODE-

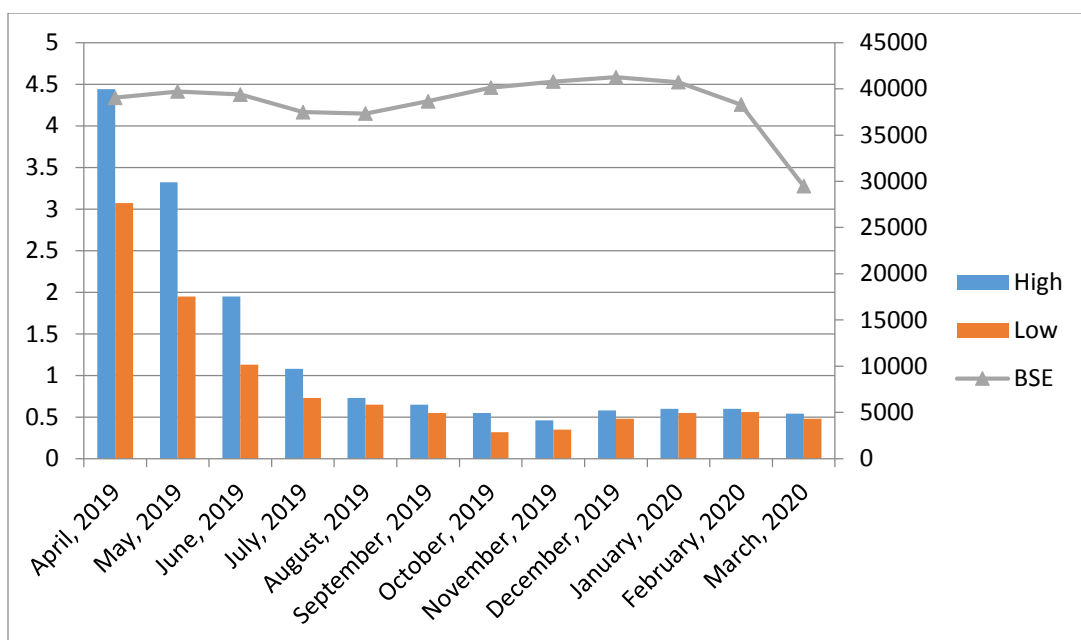
Bombay Stock Exchange:
Scrip Code: 513515
Scrip Name: SRIND



MARKET PRICE DATA (BSE)

MONTH	HIGH PRICE (Rs.)	LOW PRICE (Rs.)
April, 2019	4.44	3.07
May, 2019	3.32	1.95
June, 2019	1.95	1.13
July, 2019	1.08	0.73
August, 2019	0.73	0.65
September, 2019	0.65	0.55
October, 2019	0.55	0.32
November, 2019	0.46	0.35
December, 2019	0.58	0.48
January, 2020	0.6	0.55
February, 2020	0.6	0.56
March, 2020	0.54	0.48

Stock Performance of S. R. Industries Ltd. on BSE vis-à-vis BSE Sensex during the year 2019-20



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	8592	84.2188	1679389	8.5363
501-1000	705	6.9104	625880	3.1813
1001-2000	317	3.1072	517986	2.6329
2001-3000	131	1.2841	346269	1.7601
3001-4000	66	0.6469	241162	1.2258
4001-5000	82	0.8038	393568	2.0005
5001-10000	121	1.186	974564	4.9537
Above 10001	188	1.8428	14894682	75.7094
Total	10202	100	19673500	100



DEMATERIALIZATION OF SHARES AND LIQUIDITY

The details of paid up capital as on 31st March 2020 is as under:

MODE OF HOLDING	NO. OF SHARES	PERCENTAGE
NSDL	9790758	49.76
CDSL	8181432	41.59
PHYSICAL	1701310	8.65
TOTAL	19673500	100

The ISIN of the Company is INE329C01011. As on 31st March 2020, 91.35 % 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, 2020.



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.

mp ① 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.

u ① 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.

ml ① 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.

x ① Web link where policy on dealing with related party transactions

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

yo ① 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, 2020 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. R. K. Bhandari	00354242	01/10/2005
2	Mr. R. C. Mahajan	00038661	19/07/1989
3	Mr. Amit Mahajan	00038827	01/09/2006
4	Mr. Amit Mahajan	00038593	19/05/1997
5	Mr. M. M. Puri	01711466	31/10/2007
6	Mrs. Seema Mahajan	06978146	10/11/2014
7	Mr. Udit Mayor	02425273	14/08/2019

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: 25/11/2020

Sd/-
RPS Khurana
Practicing Company Secretary
ACS No. 12333
CP No. 5013
UDIN: A012333B001305845

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

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

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

M/s Kansal Jain And Associates (Formerly N. J. & Associates) were paid a total sum of Rs. 1,10,000/- during the financial year under review.

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

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

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

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaimed.

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

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all members of the board of directors and senior management personnel have affirmed the compliance with the code of conduct of board of directors and senior management for the year ending 31st March, 2020.

Place: Mohali
Date: 27.07.2020

For S. R. Industries Ltd
Sd/-
(R. C. Mahajan)
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF S. R. INDUSTRIES LTD

I have examined the compliance of conditions of Corporate Governance by S R Industries Ltd ("the Company"), for the financial year ended 31st March, 2020, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [applicable w.e.f. 1st December, 2015].

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

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

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

Place: Chandigarh
Date: 25/11/2020


Sd/-
RPS Khurana
Practicing Company Secretary

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

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

V) 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.

VI) **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.

VII) 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.

VIII) 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.

IX) 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.

X) 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.

XI) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gross turnover during 2019-20 decreased from 25.24 Cr. in 2018.19 to 16.83 Cr. The company during the year sold 0.46 million pairs as against 0.77 million pairs of footwear during last year. The production during the financial year was 0.43 million pairs of footwear as against 0.73 million pairs during previous year.

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

Profit/(Loss) before depreciation, interest and taxation during the financial year decreased from (1267.92) lacs to (330.22) lacs. The depreciation for the year was 213.99 lacs as against 216.83 lacs during last year. The financial expenses during the year 2019-20 decreased from 518.44 lacs to 208.71 lacs.

The loss before tax during the year is 658.70 lacs as against a loss 1728.69 lacs in the previous year.

The Earning per share (EPS) during the year was (3.38) as compared to (12.47) for last year. The diluted EPS of (3.38) 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 658.70 lacs during the year as against net loss of 1728.69 lacs during last year.

XII) 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, 2020, the company employed 71 employees.

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

XIII) **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.

XIV) **SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Particulars	FY 2018-19	FY 2019-20	YoY Change
Debtors Turnover (times)	2.24	2.99	
Inventory Turnover (times)	2.09	4.89	
Interest Coverage Ratio (times)	-1.91	-1.58	
Current Ratio	0.55	0.18	
Debt Equity Ratio	1.96	1.63	
Operating Profit Margin (%)	-76.57%	-0.45	
Net Profit Margin (%)	-66.07%	-0.39	

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

XI **CHANGE IN RETURN ON NET WORTH**

Particulars	FY 2018-19	FY 2019-20	YoY Change
Return on Net Worth (times)	0.88	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 financial statements of **S.R. Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and notes to the financial Statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion section, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and loss, 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.

- 1. Understatement of Loss amount of Rs. 165.10 Lakhs (Refer to note no. 30 of Notes to Accounts)- as the Company has not provided for Interest on borrowings from State Bank of India in the current Year due to approval of OTS Scheme by them. The other banker i.e. UCO Bank has not yet sanctioned the OTS. Therefore, the losses of the Company are understated by that amount.**
- 2. Going Concern (Refer to para Material Uncertainty Related to Going Concern as mentioned below) - We are unable to comment on the ability of the Company to continue as a Going Concern.**

Emphasis of Matter – Effects of COVID-19

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

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 this matter.

Material Uncertainty Related to Going Concern:

The Company has accumulated losses of Rs. 5304.76 Lacs (Previous year Rs. 4606.06 Lacs) as at March, 2020 resulting in Negative Net worth of Rs. 2186.39` Lacs (Previous Year Rs. 1527.69 Lacs). The Company's Current Liabilities exceed its Current Assets by Rs. 2933.78 Lacs (Previous Year Rs. 2123.65 Lacs) as of that date. The Banks have classified the accounts of the Company as NPA and issued notice under SARFAESI Act, 2002. The Turnover of the Company has gone down from Rs. 2524.04 Lacs to Rs. 1683.10 Lacs. These factors raise doubts about the survival of the Company and in view of the mentioned uncertainties, we are unable to comment on the ability of the Company to continue as a Going Concern.

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.

1. Going Concern

As per details provided in the following paragraph, we are unable to comment on the ability of the Company to continue as Going Concern.

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 financial results 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 financial results.

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

- a) Identify and assess the risks of material misstatement of the financial results, 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.
- b) Obtain an understanding of internal 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

d) Conclude on the appropriateness of the Board of Directors' 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 financial results 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.

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

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.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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) 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 KANSAL JAIN & ASSOCIATES
(FORMERLY KNOWN AS N J & ASSOCIATES)
CHARTERED ACCOUNTANTS**

Place: CHANDIGARH
Date: 27.07.2020

Sd/-
(CA. Shri Krishan Kansal)
Partner
M. No. 080632
FRN 023083N
UDIN: 20080632AAAACL7855

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, 2020 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, 2020, 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 KANSAL JAIN & ASSOCIATES
(FORMERLY KNOWN AS N J & ASSOCIATES)
CHARTERED ACCOUNTANTS**

Place: CHANDIGARH
Date: 27.07.2020

Sd/-
(CA. Shri Krishan Kansal)
Partner
M. No. 080632
FRN 023083N
UDIN: 20080632AAAACL7855

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(b) The Company has a program of verification to cover all the items of fixed assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to 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 the various restriction imposed by the government amid the covid- 19 pandemic, physical verification of inventory was not possible in the later intervals of the year ending 31.03.2020. The inventory shown in the financials is as per the values 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. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any amount to parties in preference to section 185 & 186 of The Companies Act, 2013.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are 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, Goods and Service Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) Further, as at 31st March 2020, there are dues outstanding for a period of more than six months from the date they became payable which are as under:

Nature of Dues	Amount	Period to which the amount relates
Employee's State Insurance Corporation	7,577/-	Financial Year 2019-20

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, 2020 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

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 KANSAL JAIN & ASSOCIATES
(FORMERLY KNOWN AS N J & ASSOCIATES)
CHARTERED ACCOUNTANTS**

Place: CHANDIGARH
Date: 27.07.2020

Sd/-
(CA. Shri Krishan Kansal)
Partner
M. No. 080632
FRN 023083N
UDIN: 20080632AAAACL7855

S.R. INDUSTRIES LIMITED			
Balance sheet as at March 31, 2020			
All amounts in Rupees , unless otherwise stated			
Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(A) NON CURRENT ASSETS			
i Property, Plant and Equipment ii Financial Assets	3	18,54,29,011	20,20,55,642
Security Deposits	4	12,79,215	14,59,215
(B) CURRENT ASSETS	5	3,43,90,485	6,75,64,787
i Inventories	6	5,63,82,500	9,96,86,675
ii Financial Assets		56,78,222	13,05,072
(a) Trade Receivables	7	10,86,458	9,87,939
(b) Cash & Cash Equivalents	4	1,67,42,961	3,69,42,284
(c) Bank Balance other than (b) above	8	7,15,398	1,44,64,026
(d) Loans and Advances			
(e) Others			
Assets held-for-sale/ Assets included in disposal group(s) held-for-sale			
Total Assets		30,17,04,250	42,44,65,640
EQUITY AND LIABILITIES			
(C) EQUITY			
i Equity Share capital	23	19,64,57,000	19,64,57,000
ii Other Equity			
(a) Equity Component of Compound Financial Instrument		9,81,11,062	9,81,11,062
(b) Reserve & Surplus	10	(53,04,76,171)	(46,46,05,787)
(c) Other Reserves	10	1,72,68,900	1,72,68,900
(D) LIABILITIES			
Non Current Liabilities			
i Financial Liabilities			
(a) Borrowings	12	8,21,60,983	8,88,96,178
ii Provisions	11	59,06,750	66,89,103
iii Deferred Income	13	1,14,56,929	1,29,42,129
iv Deferred Tax Liabilities (Net)	14	-	86,01,449
v Other Non-Current Liabilities	15	1,24,44,696	2,67,89,519
Current Liabilities			
i Financial Liabilities			
(a) Borrowings	12	22,01,90,009	21,94,09,506
(b) Trade payables	16	6,20,65,046	9,41,02,165
(c) Other Financial Liabilities	12	11,61,05,581	10,97,32,861
ii Provisions	11	85,28,264	85,74,286
iii Deferred Income	13	14,85,201	14,97,270
Total Equity & Liabilities		30,17,04,250	42,44,65,640
The accompanying notes are an integral part of these Financial Statements.			
For and on Behalf of Board of Directors of S.R. Industries Limited			
		Amit Mahajan Director- Commercial Financial Officer	R.C. Mahajan Managing Director & Chief
		FOR KANSAL JAIN & ASSOCIATES (FORMERLY KNOWN AS N J & ASSOCIATES) CHARTERED ACCOUNTANTS	
		(CA. Shri Krishan Kansal) Partner Membership No. 080632 FRN 023083N	
Place: CHANDIGARH Date: 27.07.2020			

S.R. INDUSTRIES LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2020				
Sr. No	Particulars	Note No.	For the Period ended 31/03/2020	For the Year ended 31/03/2019
	Continuing Operations			
	Revenue from	1	16,83,10,215	25,24,03,617
	Operations Other	7	2,15,41,868	92,12,879
	Income	1	18,98,52,083	26,16,16,496
	Total Income	8		
	Expenses			
	Cost of Raw Material and Components Consumed		10,68,53,193	20,67,43,563
	(Increase)/Decrease in inventories of finished goods, work in progress and traded goods	1	1,44,18,213	5,25,39,236
	Employee benefits expense	9	3,18,54,421	4,58,04,681
	Depreciation and amortization expense		2,13,99,190	2,16,82,896
	Finance costs	20	2,08,70,560	5,18,44,198
	Other expenses	3	6,97,48,539	8,33,20,714
	Total Expenses	21	26,51,44,115	46,19,35,288
	Profit/(Loss) before exceptional itmes and tax from continuing operations	22	(7,52,92,032)	(20,03,18,791)
	Exceptionals Items		-	-
	Profit/(Loss) before tax from continuing operations		(7,52,92,032)	(20,03,18,791)
	(1) Current tax			
	(2) Adjustment of tax relating to earlier periods		(88,07,877)	(2,68,17,434)
	(3) Deferred tax		(88,07,877)	(2,68,17,434)
	Income tax expense		(6,64,84,155)	(17,35,01,357)
	Profit/(Loss) for the year			
	Other comprehensive Income			
	Re-measurement gains/(losses) on defined benefit plans		8,20,199	8,54,252
	Income tax effect		(2,06,428)	(2,22,106)
	Net Other Comprehensive income not to be reclassified to profit or loss in subsequent periods		6,13,771	6,32,146
	Other comprehensive income for the year, net of tax		6,13,771	6,32,146
	Total comprehensive income for the year, net of tax attributable to :		(6,58,70,384)	(17,28,69,211)
	Profit for the year		(6,64,84,155)	(17,35,01,357)
	Attributable to :		(6,64,84,155)	(17,35,01,357)
	Equity holders of the parent		-	-
	Non-controlling interest		(6,58,70,384)	(17,28,69,211)
	Total comprehensive income for the year			
	Earnings per Equity Share for Profit from Continuing Operations attributable to owner of S. R. Industries Ltd.		(3.38)	(12.47)
	Basic earning per share		(3.38)	(12.47)
	Diluted earning per share			
	Significant Accounting Policies	1		
	Notes to Accounts	2 to 36		
<p><i>The Notes are an integral part of the financial statements.</i></p> <p>The accompanying notes are an integral part of these Financial statements</p> <p style="text-align: center;">For and on Behalf of Board of Directors of S.R. Industries Limited</p> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> Amit Mahajan Director- Commercial </div> <div style="text-align: center;"> R.C. Mahajan Managing Director & CFO </div> </div> <div style="text-align: right; margin-top: 20px;"> FOR KANSAL JAIN & ASSOCIATES (FORMERLY KNOWN AS N J & ASSOCIATES) CHARTERED ACCOUNTANTS (CA. Shri Krishan Kansal) Partner Membership No. 080632 FRN 023083N </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> Place: CHANDIGARH Date: 27.07.2020 </div> <div> </div> </div>				

S.R. INDUSTRIES LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020			
Particulars	Note No.	31-03-2020	31-03-2019
A Cash Flow from Operating activities			
1 Profit before Tax		(7,52,92,032)	(20,03,18,791)
2 Adjustments to reconcile Profit before Tax to Net cash Flows:			
Depreciation and amortisation Expense	3	2,13,99,190	2,16,82,896
Bad debts and advances written off, allowance for doubtful trade		2,98,36,932	-
Interest Income	19	(1,09,656)	(17,47,900)
Finance Costs	22	2,08,70,560	5,18,44,198
Liabilities/ Provisions Written back due to Actuarial Gain/(Loss)		8,20,199	8,54,252
		7,28,17,225	7,26,33,446
3 Operating Profit before working capital adjustments (1+2)		(24,74,807)	(12,76,85,345)
4 Working capital adjustments:			
Trade and other receivables and prepayments		3,35,91,512	3,38,86,553
(Increase)/Decrease in Inventories	6	3,31,74,302	11,25,11,620
Increase/(Decrease) Trade and other payables and Provisions		(3,47,03,904)	1,54,46,508
		3,20,61,911	16,18,44,681
5 Cash generated from Operations (3+4)		2,95,87,104	3,41,59,336
6 Taxes (Paid) /Refund		-	-
7 Net Cash Flows from Operating Activities (5-6)		2,95,87,104	3,41,59,336
B Cash Flow from Investing activities:			
Purchase of Property, Plant and Equipment(PPE)	3	(47,72,560)	(42,95,618)
Proceeds from fixed deposits matured during	8	(98,519)	(61,110)
Interest Income	19	1,09,656	17,47,901
Net cash used in Investing activities:		(47,61,423)	(26,08,827)
C Cash Flow from financing activities:			
Increase/(Decrease) in Equity Share Capital		-	5,75,75,000
Increase/(Decrease) in Capital Reserve		-	37,50,000
Increase/(Decrease) in Repayments of Term Loans		-	(4,83,23,141)
Increase/(Decrease) in Repayments of Cash Credit		(1,00,94,276)	(1,36,19,963)
Increase/(Decrease) in Interest accrued and due on Cash Credit		1,08,74,779	44,17,369
Increase/(Decrease) in Interest accrued and due on TL		63,72,720	72,15,617
Increase/(Decrease) in Unsecured Loans		(67,35,195)	95,56,909
Finance Costs	22	(2,08,70,560)	(5,18,44,198)
Net cash used in financing activities:		(2,04,52,531)	(3,12,72,408)
D Net change in cash and cash equivalents (A+B+C)		43,73,150	2,78,101
E - 1 Cash and cash equivalents at the beginning of the year		13,05,072	10,26,971
E - 2 Cash and cash equivalents at year end		56,78,222	13,05,072

The accompanying notes are an integral part of these Financial statements

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

Amit Mahajan
Director- Commercial

R.C. Mahajan
Managing Director & CFO

FOR KANSAL JAIN & ASSOCIATES
(FORMERLY KNOWN AS N J & ASSOCIATES)
CHARTERED ACCOUNTANTS

(CA. Shri Krishan Kansal)
Partner

Place: CHANDIGARH
Date: 27.07.2020

Membership No. 080632
FRN 023083N

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 Mohali (Punjab) and Una (Himachal Pradesh) and is principally engaged in the manufacturing of Footwear comprising of the facilities including Rubber Outsole Molding, 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 27.07.2020.

2. Significant Accounting Policies

2.1 Basis of Preparation

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

For all periods up to and including the year ended 31st March 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 2020, 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

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

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

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

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

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

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

2.1.2 Current versus Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

2.1.3 Taxes

2.1.3.1 Current Income Tax

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

enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

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

2.1.3.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

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

2.1.4 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:

1. 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.
2. 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.
3. 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.

2.1.5 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 following financial asset and credit risk exposure

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, 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 modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is 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.

2.1.6 Cash & Cash Equivalents

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

2.1.7 Mandatorily Redeemable Preference Shares

A mandatorily redeemable preference 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.

2.1.8 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.

2.1.9 Employee Benefits

2.1.9.1 Short term obligations

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

2.1.9.2 Other Long-term employee benefit obligations:

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

2.1.10 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.

2.1.11 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 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. 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.

2.1.12 Fair Value Measurement

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

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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

2.1.13 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.

2.1.14 Borrowing Costs

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until

such time that the asset are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Company during the year. 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.

2.1.15 Impairment of Non-Financial Assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the 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.

2.1.16 Government Grants:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as

income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. However, if any export obligation is attached to the grant related to an asset, it is recognized as income on the basis of accomplishment of the export obligation.

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

2.1.17 Earnings per share

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

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

Note: 3 Property, 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, 2019							
Gross Carrying Amount							
Opening Gross Carrying Amount	1,25,09,389	7,48,55,454	15,70,83,911	1,50,93,348	30,53,692	1,59,05,747	27,85,01,541
Additions	-	-	-	-	-	42,95,618	42,95,618
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2019	1,25,09,389	7,48,55,454	15,70,83,911	1,50,93,348	30,53,692	2,02,01,365	28,27,97,159
Accumulated Depreciation							
Opening Accumulated Depreciation	-	58,10,274	4,44,01,999	59,48,485	14,57,629	14,40,234	5,90,58,621
Depreciation charge during the year	-	29,05,137	1,37,56,171	29,80,496	7,14,508	13,26,584	2,16,82,896
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2019	-	87,15,411	5,81,58,170	89,28,981	21,72,137	27,66,818	8,07,41,517
Net Carrying Amount as at 31 March 2019	1,25,09,389	6,61,40,043	9,89,25,741	61,64,367	8,81,555	1,74,34,547	20,20,55,642
Year ended 31 March, 2020							
Gross Carrying Amount							
Opening Gross Carrying Amount	1,25,09,389	7,48,55,454	15,70,83,911	1,50,93,348	30,53,692	2,02,01,365	28,27,97,159
Additions	38,66,003	-	3,55,500	-	-	5,51,057	47,72,560
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31st 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
Net Book Value							
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
At 31 March 2019	1,25,09,389	6,61,40,043	9,89,25,741	61,64,367	8,81,555	1,74,34,547	20,20,55,642

No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year 31 March 20 - Nil

Charge on PPE

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

4. Financial Assets - Loans

(unsecured, considered good unless otherwise stated)

Others Advances
Security

Current
Non Current

	31-03-2020	31-03-2019
	INR	INR
	1,67,42,961	3,69,42,284
	12,79,215	14,59,215
	1,80,22,176	3,84,01,499
	1,67,42,961	3,69,42,284
	12,79,215	14,59,215

5. Inventories

(a) Raw Materials
(b) Work-in-progress
(c) Finished Goods
(d) Consumable
(d) Stores and spares

Total inventories at the lower of cost and net realisable value

	31-03-2020	31-03-2019
	INR	INR
	1,51,71,427	2,59,89,846
	-	67,58,368
	33,32,400	1,09,92,245
	1,47,10,348	2,06,93,276
	11,76,310	31,31,052
	3,43,90,485	6,75,64,787

6. Trade receivables

Trade receivables

Total Trade receivables

Break-up for security details:

Unsecured, considered good
Provision for Doubtful Debts

Current

	31-03-2020	31-03-2019
	INR	INR
	5,63,82,500	10,06,07,806
	5,63,82,500	10,06,07,806
	5,63,82,500	10,06,07,806
	-	(9,21,131)
	5,63,82,500	9,96,86,675
	5,63,82,500	9,96,86,675

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 equivalent

(A) Balances with Banks

(I) Bank balances held as margin money or as security against:

(i) Guarantees

(II) Other Bank balances

(C) Cash on hand

Cash & Cash Equivalents

Bank Balance other than above

	31-03-2020	31-03-2019
	INR	INR
	10,86,458	9,87,939
	15,305	12,57,632
	56,62,917	47,440
	67,64,680	22,93,011
	56,78,222	13,05,072
	10,86,458	9,87,939

8. Other Financial Assets

(Unsecured, considered good)

Others

Balance with Revenue Authorities

Current Assets

	31-03-2020	31-03-2019
	INR	INR
	7,15,398	1,44,64,024
	7,15,398	1,44,64,024
	7,15,398	1,44,64,024

9. Share Capital

Authorised Share Capital

Equity Shares

At 31 March 2018

Increase/(decrease) during the year

At 31 March 2019

Increase/(decrease) during the year

At 31 March 2020

	No.	INR
At 31 March 2018	1,50,00,000	15,00,00,000
Increase/(decrease) during the year	65,00,000	6,50,00,000
At 31 March 2019	2,15,00,000	21,50,00,000
Increase/(decrease) during the year	-	-
At 31 March 2020	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.

8% Non Cumulative Redeemable Preference

Shares

At 31 March 2018

Increase/(decrease) during the year

At 31 March 2019

Increase/(decrease) during the year

At 31 March 2020

	No.	INR
At 31 March 2018	1,50,00,000	15,00,00,000
Increase/(decrease) during the year	-	-
At 31 March 2019	1,50,00,000	15,00,00,000
Increase/(decrease) during the year	-	-
At 31 March 2020	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.

Issued Share Capital

Equity Shares

At 31 March 2018

Increase/(decrease) during the year

At 31 March 2019

Increase/(decrease) during the year

At 31 March 2020

	No.	INR
At 31 March 2018	1,39,16,000	13,91,60,000
Increase/(decrease) during the year	57,57,500	5,75,75,000
At 31 March 2019	1,96,73,500	19,67,35,000
Increase/(decrease) during the year	-	-
At 31 March 2020	1,96,73,500	19,67,35,000

Equity Component of Redeemable Preference

Shares of INR 100 each issued and fully paid

At 31 March 2019

Increase/(decrease) during the year

At 31 March 2020

	No.	INR
At 31 March 2019	14,60,000	10,14,06,502
Increase/(decrease) during the year	-	-
At 31 March 2020	14,60,000	10,14,06,502

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

Subscribed Share Capital

Equity Shares of INR 10 each

At 31 March 2018

Increase/(decrease) during the year

At 31 March 2019

Increase/(decrease) during the year

At 31 March 2020

	Subscribed & Fully Paid	Subscribed but not Fully Paid
At 31 March 2018	13,88,82,000	2,78,000
Increase/(decrease) during the year	5,75,75,000	-
At 31 March 2019	19,64,57,000	2,78,000
Increase/(decrease) during the year	-	-
At 31 March 2020	19,64,57,000	2,78,000

**Equity Component of redeemable Preference
Shares of INR 100 each issued and fully paid**

At 31 March 2019	14,60,000	9,81,11,062
Increase/(decrease) during the year	-	-
At 31 March 2020	14,60,000	9,81,11,062

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

Name of the shareholder	31-03-2020		31-03-2019	
	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	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

	31-03-2020	31-03-2019
	INR	INR
Securities premium reserve	1,18,05,000	1,18,05,000
Capital Reserve	54,63,900	54,63,900
Retained earnings	(53,04,76,171)	(46,46,05,787)
	(51,32,07,271)	(44,73,36,887)
Reserves and surplus	(53,04,76,171)	(46,46,05,787)
Other reserve	1,72,68,900	1,72,68,900

Securities premium reserve

	31-03-2020	31-03-2019
	INR	INR
Opening Balance	1,18,05,000	1,18,05,000
Closing Balance	1,18,05,000	1,18,05,000

Retained earnings

	31-03-2020	31-03-2019
	INR	INR
Opening balance	(46,46,05,787)	(29,17,36,576)
Net profit for the period	(6,64,84,155)	(17,35,01,357)
Items of other comprehensive income recognised directly in retained earnings	6,13,771	6,32,146

11. Provisions

	31-03-2020	31-03-2019
	INR	INR
Provision for employee benefits	1,44,35,014	1,52,63,389
	1,44,35,014	1,52,63,389
Current	85,28,264	85,74,286
Non-Current	59,06,750	66,89,103

12. Borrowings

	Effective Interest rate	Maturity	Installment (No.)	31-03-2020	31-03-2019
				INR	INR
Non-Current Borrowings					
Term Loan					
From Banks					
(i) Term Loan from SBI (Secured)	16.75%	2011-2019	28	4,19,11,528	4,19,11,528
(ii) Term Loan from UCO Bank (Secured)	16.75%	2011-2019	28	7,41,94,053	6,78,21,333
Liability Component of Compound Financial Instrument (Unsecured)	16.75%	2011-2031 & 2013-2033	Lumpsum	2,29,68,887	1,96,73,566
Unsecured loans					
- From Directors (Unsecured) (Refer Note No 24)				#####	6,39,58,401
- From Intercompany (Unsecured) (Refer Note No 24)				52,64,211	52,64,211
Total borrowings				19,82,66,564	19,86,29,039
Less: Current maturities of debt				(8,80,37,299)	(8,80,37,299)
Less: Interest accrued and due				(2,80,68,282)	(2,16,95,562)
Non current borrowings				8,21,60,983	8,88,96,178

	Effective Interest rate	Maturity	31-03-2020	31-03-2019
			INR	INR
Current borrowings				
(A) Loans repayable on demand				
Secured				
From banks				
-State Bank of India		On Demand	9,03,05,665	10,03,99,941
-UCO Bank		On Demand	8,70,19,565	8,70,19,565
Interest accrued and due			4,28,64,780	3,19,90,000
Total Current borrowings			22,01,90,009	21,94,09,506
(B) Other Financial liabilities				
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			2,80,68,282	2,16,95,562
			11,61,05,581	10,97,32,861
(i) Term Loan from SBI (Secured)				
Amount			3,49,31,299	69,80,229
Period of default			Since June, 2017	Since June, 2017
(ii) Term Loan from UCO Bank (Secured)				
Amount			5,31,06,000	1,47,15,333
Period of default			Since June, 2017	Since June, 2017

The above mentioned loans are secured by the personal guarantees 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

13. Deferred Income

	31-03-2020	31-03-2019
	INR	INR
Deferred Income on account of Govt. grant for EPCG License	-	12,069
Deferred Income on account of Investment Subsidy	13,22,000	15,22,000
Deferred Income on account of Govt. grant for Property, Plant and Equipments	1,16,20,130	1,29,05,330
	1,29,42,130	1,44,39,399
Current	14,85,201	14,97,270
Non-Current	1,14,56,929	1,29,42,129

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)

	31-03-2020	31-03-2019
	INR	INR
Deferred Tax Asset/ (Liability) - Net	-	(86,01,449)
	-	(86,01,449)
Non-Current	-	(86,01,449)

Reconciliation of Tax Expense and the Accounting Profit multiplied by India's domestic Tax rate for 31 March 2019 and 31 March 2020:

	31-03-2020	31-03-2019
	INR	INR
Accounting Profit before Income Tax	(7,52,92,032)	(20,03,18,791)
At India's statutory Income Tax rate of 25.168%	(1,89,49,499)	(5,20,82,886)
Non-deductible Expenses for Tax purposes	81,29,059	13,83,982
Utilisation of previously unrecognised Tax Losses	1,08,20,440	5,06,98,904

Income tax expenses reported in the statement of Profit & Loss A/c

	-	-
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Reconciliation of Deferred Tax Liabilities (Net):

	31-03-2020	31-03-2019
	INR	INR
Opening Balance as on 1 April	(86,01,449)	(3,51,96,777)
Tax Income/(Expense) during the period recognised in Profit or Loss	88,07,877	2,68,17,434
Tax Income/(Expense) during the period recognised in OCI	(2,06,428)	(2,22,106)
Closing Balance as at 31 March	(0)	(86,01,449)

Deferred Tax relates to the following:

	Balance Sheet		Profit & Loss	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
WDV of Property, Plant and Equipment and intangible assets (excluding freehold land)	(2,65,05,487)	(3,06,25,328)	41,19,841	94,10,254
Prepayments				10,506
Debt Component of CFI	(3,09,64,471)	(3,28,44,873)	18,80,402	70,62,162
Provision for Employee Benefits	36,33,004	39,68,481	(3,35,477)	(7,52,283)
Interest Accrued and due	1,78,52,433	-	1,78,52,433	
Unabsorbed Depreciation	5,17,65,208	5,09,00,271	8,64,937	1,08,64,486
Tax during the period recognised in OCI	-	-	2,06,428	
				2,22,106
Deferred Tax Asset to the extent of Deferred tax Liability written off	(1,57,80,687)	-	(1,57,80,687)	
Deferred Tax Expense/(Income)			88,07,877	2,68,17,231
Net Deferred Tax assets/(Liabilities)	-	(86,01,449)		

15. Other Liabilities

	31-03-2020	31-03-2019
	INR	INR
Statutory Dues Payables	4,29,223	31,01,099
Other liabilities and payables	1,20,15,473	2,36,88,420
	1,24,44,696	2,67,89,519
Non-Current	1,24,44,696	2,67,89,519

16. Trade payables

	31-03-2020	31-03-2019
	INR	INR
Trade Payables - Raw Material	5,86,48,759	8,39,39,212
Trade Payables - Others	34,16,287	1,01,62,953
	6,20,65,046	9,41,02,165

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.

17. Revenue from operations

	31-03-2020	31-03-2019
	INR	INR
Revenue from Sale of Products	16,83,10,215	25,24,03,617
Total sale of products	16,83,10,215	25,24,03,617
Total	16,83,10,215	25,24,03,617

18. Other income

	31-03-2020	31-03-2019
	INR	INR
<i>Other non-operating income</i>		
Interest Income	1,09,656	17,47,900
Deferred Income- Govt. Grant	14,97,269	17,01,436
Other Non-Operating Income/(Expenses) (Net of Expenses directly attributable to such income)	1,99,34,943	57,63,543
	2,15,41,868	92,12,879

19. Cost of raw material and components consumed

	31-03-2020	31-03-2019
	INR	INR
Inventory at the beginning of the year	4,66,83,122	10,46,06,740
Add: Purchase	9,00,51,846	14,88,19,945
	13,67,34,968	25,34,26,685
Less: Inventory at the end of the year	2,98,81,775	4,66,83,122
Cost of raw material and components consumed	10,68,53,193	20,67,43,563

21. Finance costs

Interest
Other borrowing cost
Total interest

31-03-2020	31-03-2019
INR	INR
2,08,33,977	5,14,85,998
36,583	3,58,200
2,08,70,560	5,18,44,198

22. Other expense

Power and Fuel
Other manufacturing Expenses
Repairs and maintenance
Plant and machinery
Rent
Rates and taxes
Insurance
Selling Expenses
Vehicle Running & Maintenance
Travelling and conveyance
Legal and professional fees
Auditor's Remuneration
Bad Debts
Exice duty of early years paid

Balance with revenue authorities written off
Other Expenses

31-03-2020	31-03-2019
INR	INR
63,08,278	77,86,178
40,88,946	72,69,014
95,673	2,09,581
17,90,000	21,99,700
-	1,68,708
3,04,225	4,23,159
82,31,274	1,55,77,101
8,80,064	6,07,030
7,99,297	10,42,493
18,18,983	13,57,706
1,10,000	1,10,000
2,95,51,164	4,20,62,052
1,42,89,450	-
6,14,824	-
8,66,362	45,07,992
6,97,48,539	8,33,20,714

Notes to the Financial Statements for the year ended 31st March 2020**23. Contingent liabilities**

The Central Excise Authorities, Mumbai had imposed duty and penalty aggregating to Rs. 44.00 Lacs (Previous Year Rs. 723.00 Lacs) for purchase of certain items against CT-3 forms without payment of duty.

24. Excise Duty of earlier years paid

The Central Excise Authorities, Mumbai had imposed duty and penalty aggregating to Rs. 723.00 Lakhs for purchase of certain items against CT-3 forms without payment of duty as shown in the following table:

Rs. In Lakhs					
S. No.	SCN No. & Date	Order No. & Date	Party	Duty	Penalty
1	DGAE/DZU/37/98 dated 05.03.2001	167/COMMR(AH)/05 dated 27.10.2005	M/s GupTex Pvt Ltd	30.19	17.05 30.00
2	DGAE/DZU/37/98 dated 20.04.2001	168/COMMR(AH)/05 dated 27.10.2005	M/s Shree Sanand Textiles Pvt Ltd	69.35	100.00
3	DGAE/DZU/37/98 dated 01.01.2001	169/COMMR(AH)/05 dated 27.10.2005	M/s Aryama Polytex Ltd	55.64	29.10 55.00
4	DGAE/DZU/37/98 dated 21.06.2001	170/COMMR(AH)/05 dated 27.10.2005	M/s Parshava Textiles Pvt Ltd	-	9.00
5	DGAE/DZU/37/98 dated 28.02.2001	171/COMMR(AH)/05 dated 27.10.2005	M/s Sarla Polyester Pvt Ltd	142.68	150.00

6	DGAE/DZU/37/98 dated 04.07.2001	17/COMMR(AH)/06 dated 19.10.2006	M/s Baroda Textiles Ltd	-	35.00
TOTAL				297.86	425.15

An amount of Rs. 119.00 Lakhs was paid under protest in earlier years and during the year the Company opted SVLDRS (Sabka Vishwas Legacy Dispute Resolution Scheme), 2019. Under the Scheme the Company paid Rs 142.89 Lakhs (including the amount Rs 119.00 Lakhs paid under protest in earlier years).

Out of the above six cases the liability amounting to Rs. 679.00 Lakhs of 4 cases stands discharged in terms of said scheme.

25. Bank Borrowings

- The Banks (SBI and UCO Bank) have classified the accounts of the Company as Non-Performing Assets on 30.06.2017 and issued notice under SARFAESI Act, 2002 on 02.05.2018 and 24.09.2018 respectively.
- The Company submitted proposal to Banks 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. However, the application with UCO Bank is under consideration.

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 paid only Rs. 88 Lakhs only inclusive of upfront payment and the Company and promoters could not fulfill its commitment to repay the balance in time.

26. Goods and Services Tax (GST)

The GST Returns filed quarterly 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 Annual return in Form GSTR9.

27. Debtors Written Off

The Company has written off Trade Receivables amounting to **Rs.295.51 Lakhs** which remained outstanding for over three years, which despite the best efforts by the management, the recovery could not be made and moreover several of them have gone out of business. In view of the same, the management decided to write off the same.

28. Creditors Written Back

The Company also written back creditors amounting to **Rs. 140.03 Lakhs** with whom 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.

29. Balances with Revenue Authorities Written Off

The Company has written off Duty Drawback amounting to Rs. 6.08 Lakhs and TDS amounting to Rs. 0.07 Lakhs which was outstanding since 2013 and 2017 respectively. Since the amount remained outstanding for a long time and chances of adjustment are not there, the management decided to write off the same.

30. Understatement of Loss

The Company has not provided for Interest in the current year due to approval of OTS Scheme from State Bank of India, amounting to **Rs. 123.50 Lakhs** in the Cash Credit Facility and **Rs. 41.60 Lakhs** in the Term Loan. Therefore, the losses of the Company are understated by that amount of **Rs. 165.10 Lakhs**.

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

32. Deferred Tax

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

The Company has brought forward losses (Business Loss) of Rs 102.44 Lakhs (pertaining to A.Y. 2012-13) and Rs 368.85 Lakhs (pertaining to A.Y. 2013-14) that are available for offsetting for eight years against future taxable profits of the Company. Majority of these losses will expire in March 2022.

Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits since they have arisen on account of recent losses incurred by the Company for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognized deferred tax assets, the profit would increase by INR 122.54 Lakhs.

The Company has adjusted Deferred Tax Asset to the extent of Opening Deferred tax liability and has not recognized Deferred Tax Asset as a prudent policy and accumulated losses, further it seems that there will not be taxable profits in future for utilization of deductible temporary difference.

33. RELATED PARTY TRANSACTION

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)	(Repayment)/ Received	Amounts owed by Key Management Personnel
Amit Mahajan (Director Commercial)	31/03/2020	1.06	13.09	-	-	-
	31/03/2019	18.73	11.27	-	-	-
Amit Mahajan (Director Operations)	31/03/2020	-	13.39	-	-	-
	31/03/2019	16.20	11.38	-	-	-

Key Management Personnel	As on Date	Short Term Employee Benefits	Post-Employment Benefits	Loans Given/ (Received)	(Repayment)/ Received	Amounts owed by Key Management Personnel
R.C. Mahajan (Managing Director)	31/03/2020	2.55	80.09	-	-	-
	31/03/2019	28.49	79.70	-	-	-
Director Sitting Fees	31/03/2020	-	-	-	-	-
	31/03/2019	0.05	-	-	-	-
Company Secretary	31/03/2020	3.48	0.26	-	-	-
	31/03/2019	3.28	0.21	-	-	-

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		-	-	-	-	-		
Universal Cyber Info way Pvt. Ltd.	31/03/2020	-	-	-	-	-		52.64
	31/03/2019	-	-	-	-	-		52.64
Directors	31/03/2020	-	-	-	-	(155.41)	55.10	539.28
	31/03/2019	-	-	-	-	(47.18)	142.75	639.59

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 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34. Employee Benefits

A. Defined Contribution Plan

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

(Amount in Rs. In Lakhs)		
Particulars	2019-20	2018-19
Employer's contribution towards Provident Fund	5.78	13.82

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. In Lakhs)

Item	Gratuity		Leave Encashment	
	2020	2019	2020	2019
Net opening liability/(asset)	57.91	57.57	94.72	95.20
Expenses as recognized in P&L account	9.20	11.38	10.54	12.02
Re measurements	(8.20)	(8.54)	(7.50)	(11.35)
Contributions/benefits paid	(7.29)	(2.49)	(5.03)	(1.15)
Net closing liability(asset)	51.62	57.92	92.73	94.72

D. Fair Value of Plan Assets

(Amount in Rs. In Lakhs)

Particulars	Gratuity		Leave	
	2020	2019	2020	2019
FV of plan assets at the beginning of the period	-	-	-	-
Expected Return on plan assets	-	-	-	-
Contributions paid by the employer	7.29	2.49	5.03	1.15
Benefit paid by Fund	(7.29)	(2.49)	(5.03)	(1.15)
Assets Acquired/Ceded on settlement	-	-	-	-
Actuarial Gains/(Losses) on plan assets	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-
FV of plan assets at the end of the period	-	-	-	-

E. Amount recognized in the balance sheet:

(Amount in Rs. In Lakhs)

Particulars	Gratuity		Leave	
	2020	2019	2020	2019
Present value of DBO/LTEB	51.61	57.91	92.73	94.72
FV of plan assets	-	-	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	51.61	57.91	92.73	94.72

F. Expense Recognized in Profit or Loss Statement

(Amount in Rs. In Lakhs)

Particulars	Gratuity		Leave	
	2020	2019	2020	2019
Current Service Cost	4.97	7.00	3.63	4.79
Interest Cost	-	-	-	-
Actuarial (Gain)/Loss of obligations	-	-	(7.50)	(11.35)
Actuarial (Gain)/Loss of plan assets	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	4.23	4.37	6.91	7.23
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	9.20	11.37	3.04	0.67

G. Amount Recognized in Other Comprehensive Income

(Amount in Rs. In Lakhs)

Particulars	Gratuity		Leave	
	2020	2019	2020	2019
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	1.79	0.73	1.83	0.67
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(9.99)	(9.27)	(9.33)	(12.02)
Return on plan assets other than amounts included in net interest cost	-	-	-	-
Re-measurement arising from change in asset ceiling	-	-	-	-
Net(Income)/Expense for the period recognized in Other Comprehensive Income	(8.20)	(8.54)	(7.50)	(11.35)

H. Valuation Assumptions(Financial)

Particulars	2020	2019
Discount Rate	6.41%	7.30%
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	Indian Assured Lives Mortality (2006-08) Ult
Attrition	5.00%
Disability	No explicit allowance
Leave Availment Factor	0%

Average Weighted Duration of Liabilities:

Sensitivity Analysis

(Amount in Rs. In Lakhs)

Item	Gratuity		Leave	
	2020	2019	2020	2019
Increase Discount Rate by 0.50%	50.59	56.70	91.68	93.60
Decrease Discount Rate by 0.50%	52.69	59.18	93.82	95.88
Increase Salary Inflation by 1%	53.69	60.41	94.93	97.09
Decrease Salary Inflation by 1%	49.72	55.63	90.67	92.51
Increase in Withdrawal Rate by 5%	51.97	58.72	0.71	95.99
Decrease in Withdrawal Rate by 5%	50.84	56.14	1.06	92.75

35. 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:

(Rs. In Lakhs)

Category	Carrying Value		Fair Value	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial asset at amortized cost				
Loans (refer note no 4)	180.22	384.01	180.22	384.01
Other current financial assets (refer note no 6)	563.83	1006.08	563.83	1006.08
Financial liabilities at amortized cost				
Non-Current Borrowings including current maturities (refer note no 12)	1982.66	1986.29	1982.66	1986.29
Current borrowings (refer note no 12)	2201.90	2194.09	2201.90	2194.09

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

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

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

Fair value hierarchy

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

Level 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, 2020

(Amount in Rs. In 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 assets as on March 31, 2019

(Amount in Rs. In Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2019	March 31, 2019		
		Level 1	Level 2	Level 3
Loans (refer note no 4)	384.01	-	384.01	-
Other current financial assets (refer note no 6)	1006.08	-	1006.08	-

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

(Amount in Rs. In 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	-

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

(Amount in Rs. In Lakhs)

Particulars	Carrying Value	Fair Value		
	March 31, 2019			
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 12)	1986.29	-	1986.29	-
Current borrowings (refer note no 12)	2194.09	-	2194.09	-

36. 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 net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	3023.50	3083.06
Other Financial Liabilities	1161.05	1097.32
Trade Payables	620.65	941.02
Less: Cash and Cash Equivalents	(56.78)	(13.05)
Less: Other Bank Balances	(10.86)	(9.88)
Net Debt	4737.56	5098.47
Equity Share Capital	1964.57	1964.57
Other Equity	(4150.96)	(3492.25)
Total Equity	(2186.39)	(1527.68)
Total Capital and Net Debt	2551.17	3570.79
Gearing Ratio	-216.68%	-333.74%

**FOR KANSAL JAIN & ASSOCIATES
(FORMERLY KNOWN AS N J & ASSOCIATES)
CHARTERED ACCOUNTANTS**

Place: CHANDIGARH
Date: 27.07.2020

(CA. Shri Krishan Kansal)
Partner
Membership No. 080632
FRN 023083N

S.R. Industries Limited

CIN: L29246PB1989PLC009531

Regd. Off.: E-217, Industrial Area, Phase 8B

Mohali, Punjab - 160071

Website: www.srfootwears.com

Email: info@srfootwears.com

Tel: +91 172 4602888

NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the shareholders of the company will be held on Friday, the 18th day of December, 2020 at 11:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8B, Mohali, Punjab to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020 and the Profit and Loss Account & cash flow statement for the year ended on that date together with the reports of Auditors' and Directors' including the management & discussion analysis thereon.
2. To appoint a director in place of Mr. Amit Mahajan (DIN: 00038593), Director (Commercial) who retires by rotation and being eligible, offers himself for re- appointment.

SPECIAL BUSINESS:

3. To regularize appointment of Mr. Munish Mahajan (DIN 00818243) as Managing Director of the Company.

To consider and, if though fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V prescribed under the Act and the Articles of Association of the Company and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities, in granting such approvals, permissions and sanctions and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded for the regularization of appointment of Mr. Munish Mahajan (DIN: 00818243) as Managing Director of the company, whose office shall not be liable to retire by rotation, for five years from the date of his appointment i.e. August 14, 2020.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

4. To regularize appointment of Mrs. Anu Kumari (DIN: 08870494) as an Independent Non-Executive Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force) and on the basis of recommendation of Nomination and Remuneration Committee Mrs. Anu Kumari (DIN: 08870494), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company pursuant to the provisions of Section 161 and 149 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mrs. Anu Kumari (DIN: 08870494) for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire to rotation and to hold office for 5 (five) consecutive years for a term up to 14.09.2025.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

5. To regularize appointment of Mr. Gaurav Jain (DIN: 08906400) as an Independent Non-Executive Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force) and on the basis of recommendation of Nomination and Remuneration Committee, Mr. Gaurav Jain (DIN: 08906400), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company pursuant to the provisions of Section 161 and 149 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Gaurav Jain (DIN: 08906400) for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire to rotation and to hold office for 5 (five) consecutive years for a term up to 14.10.2025.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

For and on behalf of the Board

Place: Mohali
Date: 24.11.2020
Regd. Office: E-217, Industrial Area,
Phase 8B, Mohali, Punjab

Sd/-
(Udit Mayor)
Chairman
DIN: 02425273

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company shall remain closed from 11.12.2020 to 18.12.2020 (both days inclusive).
4. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies or societies etc. must be supported by appropriate resolutions / authority, as applicable.
5. In case of joint holders attending the meeting, the joint holder who is higher in order of names under a given Folio / DP ID-Client ID (in respect of dematerialized shares) will be entitled to vote.
6. Members / Proxies are requested to bring their copy of this notice along with duly filled admission slip for attending the meeting.
7. Members holding shares in physical form are requested to notify change in address, if any, to the company at its Registered Office or to the Registrar & Transfer Agents – M/s Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.
8. Members holding shares in electronic form are requested to notify change in their address, if any, to their Depository Participant.
9. Pursuant to the provisions of Companies Act, 2013 read with the rules framed thereunder, the company may send notice of general meeting and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity atleast once in a financial year to the members to register their e-mail address and changes therein. In view of the same, members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, members are requested to inform their e-mail ID to the company.
10. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, only electronic copy of the notice of general meeting along with the Annual Report of the company is being sent to all the members whose email IDs are registered with the company / Depositories Participant(s) for communication purposes. Members may note that the Notice and Annual Report will also be available on the Company's website <https://www.srfootwears.com> and at the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL i.e. www.evotingindia.com.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Regulations, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening annual general meeting to be held on Friday, the 18th day of December, 2020 at 11:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8B, Mohali (Punjab). The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
12. The instructions for members for e-voting are as under:
 - (i) The voting period begins on Tuesday, the 15th day of December, 2020 at 09:00 A.M. and ends on Thursday, the 17th day of December, 2020 at 5.00 P.M.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, the 11th day of December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company, i.e. S R Industries Limited on which you choose to vote. **(EVSN 201125030)**

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Since, the Company is required to provide the members facility to exercise their vote by electronic means, shareholders of the company, holding shares either in physical form or dematerialized form as on the cut-off date i.e. Friday, the 11th day of December, 2020 and not casting their vote electronically, may also cast their vote at the Annual General Meeting.

(xxi) The members who have cast their vote by e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

(xxii) Mr. Ravinder Kumar, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxiii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting thereafter, unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in employment of the Company and make, not later than 3 days from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company at E-217, Industrial Area, Phase 8-B, Mohali, Punjab - 160071 during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the AGM of the Company.

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

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

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

Item No. 3. To regularize appointment of Mr. Munish Mahajan (DIN 00818243) as Managing Director of the Company.

The Board of Directors of the Company, on the basis of recommendation of the Nomination and Remuneration Committee, have, subject to the approval of members in the general meeting had approved appointment of Munish Mahajan (DIN 00818243) as Managing Director of the Company for five years in their meeting held on 14th August, 2020. He shall hold office till August 13, 2025. The term of his office shall not be liable to retire by rotation.

Pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V prescribed under the Act, the terms and conditions of appointment are required to be approved at the subsequent General Meeting.

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

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

None of the Directors except Mr. Munish Mahajan himself and Mr. Amit Mahajan, Director (Commercial), being his relative is concerned and interested in this resolution.

Item No. 4. To regularize appointment of Mrs. Anu Kumari (DIN: 08870494) as an Independent Non-Executive Director.

The Board of Directors of the Company, pursuant to the provisions of Section 149, 152 read with Schedule IV, Section 161(1) and all other provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee had appointed Mrs. Anu Kumari (DIN: 08870494) as an additional Independent Director on the Board of the Company in their meeting held on 15th September, 2020 to hold office till the conclusion of this AGM.

The Board has, pursuant to the recommendation of the Nomination and Remuneration Committee and all the applicable provisions, sections, rules, regulations under the Act and SEBI Listing Regulations, proposed to the members of the Company the appointment of Mrs. Anu Kumari (DIN: 08870494) as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a period commencing from 15th September, 2020 to 14th September, 2025.

The Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Anu Kumari (DIN: 08870494) for the office of Non-Executive Independent Director of the Company. The Company has also received declaration from Mrs. Anu Kumari (DIN: 08870494), that she meets the criteria of independent directorship as mentioned under the Act and the SEBI Listing Regulations, presently applicable and is not debarred from holding the office of Director pursuant to any Order issued by Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mrs. Anu Kumari (DIN: 08870494) fulfills the conditions specified in the Act and Rules framed there under for her appointment as an Independent Director. The Board of Directors is of the opinion that her knowledge and experience will be of great value to the company and hence recommends the Resolution at Item No. 5 of the Notice for your approval.

A brief resume of Mrs. Anu Kumari (DIN: 08870494) is separately annexed hereto.

A copy of the draft letter of appointment of Mr. Anu Kumari, setting out terms and conditions of appointment is available for inspection by the Members of the Company at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the AGM as well as during the AGM at the venue thereof.

The Board of Directors recommends the Ordinary Resolution as set out under item No. 5 for approval of the members of the Company.

Except Mrs. Anu Kumari (DIN: 08870494), being an appointee, none of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed resolution except to the extent of their shareholding in the Company, if any.

Item No. 5. To regularize appointment of Mr. Gaurav Jain (DIN: 08906400) as an Independent Non-Executive Director.

The Board of Directors of the Company, pursuant to the provisions of Section 149, 152 read with Schedule IV, Section 161(1) and all other provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee had appointed Mr. Gaurav Jain (DIN: 08906400) as an additional

Independent Director on the Board of the Company in their meeting held on 15th October, 2020 to hold office till the conclusion of this AGM.

The Board has, pursuant to the recommendation of the Nomination and Remuneration Committee and all the applicable provisions, sections, rules, regulations under the Act and SEBI Listing Regulations, proposed to the members of the Company the appointment of Mr. Gaurav Jain (DIN: 08906400) as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a period commencing from 15th October, 2020 to 14th October, 2025.

The Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Gaurav Jain (DIN: 08906400) for the office of Non-Executive Independent Director of the Company. The Company has also received declaration from Mr. Gaurav Jain (DIN: 08906400), that he meets the criteria of independent directorship as mentioned under the Act and the SEBI Listing Regulations, presently applicable and is not debarred from holding the office of Director pursuant to any Order issued by Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Gaurav Jain (DIN: 08906400) fulfills the conditions specified in the Act and Rules framed there under for his appointment as an Independent Director. The Board of Directors is of the opinion that his knowledge and experience will be of great value to the company and hence recommends the Resolution at Item No. 5 of the Notice for your approval.

A brief resume of Mr. Gaurav Jain (DIN: 08906400) is separately annexed hereto.

A copy of the draft letter of appointment of Mr. Gaurav Jain, setting out terms and conditions of appointment is available for inspection by the Members of the Company at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the AGM as well as during the AGM at the venue thereof.

The Board of Directors recommends the Ordinary Resolution as set out under item No. 5 for approval of the members of the Company.

Except Mr. Gaurav Jain (DIN: 08906400), being an appointee, none of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed resolution except to the extent of their shareholding in the Company, if any.

ANNEXURE TO THE AGM NOTICE

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

Name of the Director and DIN	Mr. Amit Mahajan (DIN: 00038593)	Mr. Munish Mahajan (DIN: 00818243)	Mr. Gaurav Jain (DIN: 08906400)	Mrs. Anu Kumari (DIN: 08870494)
Age	46 years as on 31.03.2020	48 years as on 31.03.2020	47 years	32 years as on 31.03.2020
Qualification	B. Sc. (Economics)	Graduation	Graduation	Graduation
Experience/ Expertise	Mr. Amit Mahajan is a Businessman. He possesses over 25 years experiences in	Mr. Munish Mahajan has over 26 years experiences in handling	Mr. Gaurav Jain has over 25 years experiences as an entrepreneur. He has also written two	Ms. Anu Kumari has over 5 years experiences in handling commercial activities.

	handling commercial activities.	operational and commercial activities. He has been working with the company as Vice President since 2015.	books on Real Estate Investments and analysis.	
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	No change, as per last year.	No Change, as per last year	Appointed as an Independent Director for five years w.e.f. 15th October, 2020. Only sitting fees shall be paid for attending Board and Committee meetings.	Appointed as an Independent Director for five years w.e.f. 15th September, 2020. Only sitting fees shall be paid for attending Board and Committee meetings.
Remuneration last drawn by such person	Rs. 21.60 Lacs.	Rs. 18 Lacs in the capacity of Vice President of the Company.	N. A.	N. A.
Date of first appointment on the Board	19.05.1997	N. A.	N. A.	N. A.
Shareholding in the company	Holds 1350313 shares as on 31.03.2020	Holds 10000 shares as on 31.03.2020	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Being a promoter, Mr. Amit Mahajan is related to other promoters.	Being a promoter, Mr. Munish Mahajan is related to other promoters.	Mr. Gaurav Jain is not related to any Director or Key Managerial personnel of the Company.	Mrs. Anu Kumari is not related to any Director or Key Managerial personnel of the Company.
Number of Meetings of the Board attended during the year	4	Nil	Nil	Nil
Other Directorships	Pride Properties Private Ltd, Susang Mac Private Limited and S R Flip Flop Private Limited	Pride Properties Private Ltd, Susang Mac Private Limited and Aala Technical Services Private Limited	Nil	Nil
Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Nil	Nil

For and on behalf of the Board

Place: Mohali
Date: 24.11.2020
Regd. Office: E-217, Industrial Area,
Phase 8B, Mohali, Punjab

Sd/-
(Udit Mayor)
Chairman
DIN: 02425273

S R INDUSTRIES LTD**Form no. MGT-11****Proxy Form**

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

CIN : **L29246PB1989PLC009531**
Name of the Company : **S R INDUSTRIES LTD**
Registered office : **E – 217, Industrial Area, Phase 8B, Mohali**

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

1. Name:

Address:

Email ID:

Signature:, or failing him

2. Name:

Address:

Email ID:

Signature:, or failing him

3. Name:

Address:

Email ID:

Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 31st Annual General Meeting of the Company, to be held on 18th December, 2020 at 11:00 A.M. at E-217, Industrial Area, Phase 8B, Mohali and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Ordinary Business	
S. No.	Item No.
1	Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors.
2	Re-appointment of Mr. Amit Mahajan, Director (Commercial), (DIN: 00038593) retiring by rotation.
Special Business	
3	To regularize appointment of Mr. Munish Mahajan (DIN 00818243) as Managing Director of the Company.
4	To regularize appointment of Mrs. Anu Kumari (DIN: 08870494) as an Independent Non-Executive Director.
5	To regularize appointment of Mr. Gaurav Jain (DIN: 08906400) as an Independent Non-Executive Director.

Signed this day of 2020

Signature of Shareholder:

Affix Revenue Stamp

Signature of Proxy Holder (s):

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

ATTENDANCE SLIP

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

THIRTY FIRST ANNUAL GENERAL MEETING

December 18th, 2020

Folio No. : _____

DP ID : _____

No. of share(s) held : _____

Client ID : _____

Full Name of the member / proxy attending the meeting

(First Name)

(Second Name)

(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY

(STRIKE OUT WHICHEVER IS NOT APPLICABLE)

I hereby record my presence at the Thirty First Annual General Meeting of the Company held on Friday, the 18th day of December, 2020 at 11:00 A.M. at E-217, Industrial Area, Phase 8B, Distt. Mohali (Punjab).

Signature of
the Member/ Proxy

Road Map

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

