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 Moulding, EVA Sheet, Cutting and preparation, Stitching, Assembly line for shoes. The footwear division manufactures goods for various companies such as PUMA, Bata, Woka etc.

The financial statements were authorized for issue in accordance with a resolution by the Board of Directors of the Company on 30th May 2018.

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 2017, 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). These financial statements for the year ended 31st March 2018 are the first financial statements which have been prepared in accordance with the Ind AS notified under the Companies Indian Accounting Standards Rules, 2015, as amended from time to time. The Company is in Phase II of Ind AS adoption and accordingly the date of transition is 1st April 2016.

In respect of financial information for the year ended 31st March 2018, 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. Refer to Note 31 for information on how the Company adopted Ind AS.

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

a. Plan assets under defined benefit plans.

b. Certain financial assets and liabilities.

In accordance with IND AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of Financial Information under Accounting Standards notified under Previous GAAP to IND AS of Restated Shareholders' equity as at 31st March, 2017 and 2016 and of the Statement of Profit and loss and other comprehensive Income for the year ended 31st March, 2017.

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

2.2 Summary of Significant Accounting Policies:

2.2.1 Property, Plant & Equipment (PPE):

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment (PPE) 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 CENVAT\Goods & Service Tax (GST) credit and Value Added Tax (VAT) 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 have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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

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

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

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

2.2.2 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.

2.2.3 Taxes:

2.2.3.1 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.

2.2.3.2 Deferred Tax:

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

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

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

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

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

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

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

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

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

Goods & Service Tax (GST)/ Sales/ Value Added Taxes (VAT) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST/sales/ value added taxes paid, except:

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

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the balance sheet.

2.2.4 Inventory

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

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

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

2.2.5 Financial Instruments:

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

a. *Financial Assets:*

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

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

Initial recognition and measurement:

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

Subsequent measurement:

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

* Debt instruments at amortized cost

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

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

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

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

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

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

Derecognition:

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

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

a. the Company has transferred the rights to receive cash flows from the financial assets or

b. the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Impairment of financial assets:

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

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

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

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

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

Reclassification of financial assets:

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

b. *Financial Liabilities:*

Initial recognition and measurement:

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

Subsequent measurement:

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

Trade Payables:

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

Financial Liabilities at fair value through profit & loss:

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

Loans & Borrowings:

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

Derecognition:

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

Offsetting of financial instruments:

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

2.2.6 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.

2.2.7 Mandatorily Redeemable Preference Shares:

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

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

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

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

2.2.8 Provisions:

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

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

Contingent Liabilities

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

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

2.2.9 Employee Benefits:

2.2.9.1 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.

2.2.9.2 Other Long term employee benefit obligations:

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

2.2.9.3 Post-employment obligations: The Company operates the following post-employment schemes:

2.2.9.3.1 defined benefit plans such as gratuity; and

2.2.9.3.2 defined contribution plans such as provident fund.

Gratuity Obligations:

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

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

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

i. Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

ii. Net interest expenses or income

2.2.10 Revenue Recognition:

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

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

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

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

Sale of Goods:

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

Interest income:

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

2.2.11 Leases

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

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

Company as a lessee

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

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

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

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

2.2.12 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 date are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

The management in conjuction 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.

2.2.13 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments - Company as lessee

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

Estimates and assumptions

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

a. Taxes

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

b. Defined benefit plans

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

c. Fair value measurement of financial instrument

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

2.2.14 Borrowing Costs:

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

2.2.15 Impairment of Non Financial Assets:

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

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

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

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

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

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

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

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

2.2.16 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.

2.2.17 Earnings per share

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

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

Note : 3 Property. Plan and Equipment (PPE)

Particulars	Freehold Land	Freehold Building	Plant & Machinery	Furniture, Fitting & Equipments Installations	Vehicle	Other Equipments	Total
	INR	INR	INR	INR	INR	INR	INR
Transition as at 1 April 2016 Gross Carrying Amount							
Deemed Cost as at 1 April 2016	12,509,389.00	74,855,454.00	100,993,745.00	14,874,991.00	3,186,718.00	4,555,834.00	210,976,131.00
Additions/Reduction on account of							
PPE on account of Government Grant received under EPCG License Scheme	-	-	35,222,166.00	-	-	-	35,222,166.00
PPE on account of Subsidy Received against thePlant and Machinery	-	-	20,000,000.00	-	-	-	20,000,000.00
Closing Gross Carrying Amount as at 1 April 2016	12,509,389.00	74,855,454.00	156,215,911.00	14,874,991.00	3,186,718.00	4,555,834.00	266,198,297.00
Accumulated Depreciation as at 1 April 2016	-	-	-	-	-	-	-
Addition/Reduction of Accounts							
Depreciation charged at transition on Property, Plant and Equipment EPCG License Scheme	-	-	13,945,586.71	-	-	-	13,945,586.71
Depreciation charged at transition on Property, Plant and Equipment IN Subsidy Received	-	-	2,983,460.00	-	-	-	2,983,460.00
Closing Accumulated Depreciation as at 1 April 2016	-	-	16,929,046.71	-	-	-	16,929,046.71
Net Carrying Amount as at 1 April 216	12,509,389.00	74,855,454.00	139,286,864.29	14,874,991.00	3,186,718.00	4,555,834.00	249,269,250.29
Year ended 31 March 2017							
Gross Carrying Amount							
Opening Gross Carrying Amount	12,509,389.00	74,855,454.00	156,215,911.00	14,874,991.00	3,186,718.00	4,555,834.00	266,198,297.00
Additions	-	-	-	147,357.00	-	4,950,969.00	5,098,326.00
Disposals	-	-	-	-	(133,026.00)	-	(133,026.00)
Closing Gross Carrying Amount as at 31 March 2017	12,509,389.00	74,855,454.00	156,215,911.00	15,022,348.00	3,053,692.00	9,506,803.00	271,163,597.00
Accumualated Depreciation							
Opening Accumulated Depreciation	-	-	16,929,046.71	-	-	-	16,929,046.71
Depreciation Charge during the year	-	2,905,137.00	13,736,630.00	2,969,472.00	743,121.00	433,129.00	20,787,489.00
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2017	-	2,905,137.00	30,665,676.71	2,969,472.00	743,121.00	433,129.00	37,716,535.71
Net Carrying Amount as at 31 March 2017	12,509,389.00	71,950,317.00	125,550,234.29	12,052,876.00	2,310,571.00	9,073,674.00	233,447,061.29
Year ended 31 March 2018							
Gross Carrying Amount							
Opening Gross Carrying Amount	12,509,389.00	74,855,454.00	156,215,911.00	15,022,348.00	3,053,692.00	9,506,803.00	271,163,597.00
Additions	-	-	868,000.00	71,000.00	-	6,398,944.00	7,337,944.00
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 March 2018	12,509,389.00	74,855,454.00	157,083,911.00	15,093,348.00	3,053,692.00	15,905,747.00	278,501,541.00

Particulars	Freehold Land	Freehold Building	Plant & Machinery	Furniture, Fitting & Equipments Installations	Vehicle	Other Equipments	Total
	INR	INR	INR	INR	INR	INR	INR
Accumulated Depreciation							
Opening Accumulated Depreciation	-	2,905,137.00	30,665,676.71	2,969,472.00	743,121.00	433,129.00	37,716,535.71
Depreciation Charge during the year	-	2,905,137.00	13,736,322.33	2,979,013.00	714,508.00	1,007,105.00	21,342,085.33
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation as at 31 March 2018	-	5,810,274.00	44,401,999.04	5,948,485.00	1,457,629.00	1,440,234.00	59,058,621.04
Net Carrying Amount as at 31 March 2018	12,509,389.00	69,045,180.00	112,681,911.96	9,144,863.00	1,596,063.00	14,465,513.00	219,442,919.96
Net Book Value							
As at 31 March 2018	12,509,389.00	69,045,180.00	112,681,911.96	9,144,863.00	1,596,063.00	14,465,513.00	219,442,919.96
As at 31 March 2017	12,509,389.00	71,950,317.00	125,550,234.29	12,052,876.00	2,310,571.00	9,073,674.00	233,447,061.29
As at 1 April 2016	12,509,389.00	74,855,454.00	139,286,864.29	14,874,991.00	3,186,718.00	4,555,834.00	249,269,250.29

No Borrowing cost are capitalized eiher on PPE or on Asset under construction (CWIP). Financial Year 31 March 18 - Nil, 31 March 2017 - Nil, 1 April 2016 - 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.

	31.03.2018	31.03.2017	1.04.2016
	INR	INR	INR
4 : Financial Assets - Loans			
(Unsecured, considered good unless otherwise stated)			
Loans & Advances	46,359,114.94	31,568,547.00	33,481,193.00
Security Deposits	1,459,215.00	1,289,215.00	1,289,215.00
	47,818,329.94	**32,857,762.00**	**34,770,408.00**
Current	46,359,114.94	31,568,547.00	33,481,193.00
Non-Current	1,459,215.00	1,289,215.00	1,289,215.00
5. PREPAYMENTS			
Deferred Loan Processing Fees	34,000.00	76,500.00	119,000.00
	34,000.00	**76,500.00**	**119,000.00**
Current	34,000.00	42,500.00	42,500.00
Non-Current	-	34,000.00	76,500.00
6. Inventories			
(a) Raw Materials (at cost)	66,000,994.00	60,706,788.00	61,767,829.00
(b) Work-in-progress	39,607,330.00	42,117,627.00	41,851,752.00
(at Cost including appropriate Overhead)			
(c) Finished Goods	30,682,519.00	36,936,719.00	39,311,012.00
(at lower of Cost & realisable value)			
(d) Consumable (at cost)	38,605,746.00	32,805,779.00	-
(e) Stores & spares (at cost)	5,179,818.00	5,519,200.00	45,269,392.00
	180,076,407.00	**178,086,113.00**	**188,199,985.00**
7. Trade Receivables	126,884,819.29	144,839,989.00	115,875,141.00
Trade Receivables	**126,884,819.29**	**144,839,989.00**	**115,875,141.00**
Break-up for security details :			
Unsecured, considered good	126,884,819.29	144,839,989.00	115,875,141.00
Provision for Doubtful Debts	(921,131.00)	(921,131.00)	(921,131.00)
	125,963,688.29	**143,918,858.00**	**114,954,010.00**

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

	31.03.2018	31.03.2017	1.04.2016
8. Cash and cash equivalent			
(A) Balances with Banks			
(I) Bank balances held as margin money or as security against :			
(i) Guanrantees	926,829.00	1,048,024.00	921,561.00
(ii) Letters of credit	-	2,025,000.00	2,785,125.00
(II) In Current Accounts	994,486.54	528,789.00	257,145.00
(B) Cash on hand	32,484.37	8,490.00	1,086,203.00
	1,953,799.91	**3,610,303.00**	**5,050,034.00**
Cash & Cash equivalents	1,026,970.91	537,279.00	1,343,348.00
Bank Balance other than above	926,829.00	3,073,024.00	3,706,686.00
9. Other Financial Assets			
(Unsecured, Considered good)			
Capital Advances	-	-	-
Others			
Balance with Revenue Authorities	12,622,735.59	9,131,241.00	12,229,526.00
	12,622,735.59	**9,131,241.00**	**12,229,526.00**
Current Assets	12,622,735.59	9,131,241.00	12,229,526.00
Non-Current Assets	-	-	-

10. Share Capital

	No.	INR.
Authorised Share Capital		
Equity Shares		
At 1st April 2016	15,000,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	15,000,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	**15,000,000.00**	**150,000,000.00**

Terms /rights attached to Equity Shares

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

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

8% Non-Comulative Redeemable Preference Shares :	NO.	INR
At 1st April 2016	1,500,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	1,500,000.00	150,000,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	**150,000,000.00**	**150,000,000.00**

*** Terms/Rights attached to Preference Shares**

The preference shares issued by the company are non-convertible. Preference Shares Amounting to Rs. 10 crores will be redeemed on 14th October, 2031 and Preference Shares amounting to Rs. 4.6 croroes will be redeemed on 25th March, 2033 at the price of INR 100/- per share (Face Value). The Preference Shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The Preference Shares rank ahead of the Equity shares in event of liquidation. The presentation of liabiity and equity portion of these shares is explained in the summary of significant accounting policy.

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

	31-03-2018		31-03-2017	
NAME OF SHAREHOLDER	No. of Shares Held	% Holding in that class of shares	No. of Shares Held	% Holding in that class of shares
Equity shares of INR 10 each				
AMIT MAHAJAN	1,350,313.00	9.70%	2,592,390.00	18.63%
Universal Cyber Infoway Pvt. Ltd.	393,177.00	2.83%	951,100.00	6.83%
Preference shares of INR 100 each				
Amit Mahajn S/o Late Sh. Y. D. Mahajan	569,481	39.01%	569,481	39.01%
Pride Properties Pvt. Ltd.	142,400	9.75%	142,400	9.75%
Beckons Industries Pvt. Ltd.	75,000	5.14%	75,000	5.14%
Universal Cyber Infoways Pvt. Ltd.	436,350	29.89%	436,350	29.89%
R. C. Mahajan	87,500	5.99%	87,500	5.99%
Amit Mahajan S/o R.C. Mahajan	75,269	5.15%	75,269	5.15%
Krishna Garden Pvt. Ltd.	74,000	5.07%	74,000	5.07%

Issued Share Capital

Equity Shares	NO.	INR
At 1st April 2016	13,916,000.00	139,160,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	13,916,000.00	139,160,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	**13,916,000.00**	**139,160,000.00**

Equity Component of Redeeable Preference Shares of INR 100 each issued & fully paid	**NO.**	**INR**
At 1st April 2016	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	**1,460,000.00**	**98,111,062.00**

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

Subscribed Share Capital **Equity Shares of INR 10 each**	**Subscribed & Fully Paid**	**Subscribed but not fully paid**
At 1st April 2016	138,882,000.00	278,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	138,882,000.00	278,000.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	**138,882,000.00**	**278,000.00**

Equity Component of Redeeable Preference Shares of INR 100 each issued & fully paid	**NO.**	**INR**
At 1st April 2016	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2017	1,460,000.00	98,111,062.00
Increase/(Decrease) during the year	-	-
At 31st March 2018	**1,460,000.00**	**98,111,062.00**

	31.03.2018	31.03.2017	01.04.2016
	INR	**INR**	INR
11 : Other Equity			
Security Premium Reserve	11,805,000.00	11,805,000.00	11,805,000.00
Capital Reserve	1,713,900.00	1,713,900.00	1,713,900.00
Retained Earning	(291,736,577.02)	(252,306,047.03)	(264,542,903.49)
	(278,217,677.02)	**(238,306,047.03)**	**(251,024,003.49)**
Reserves & Surplus	(291,736,577.02)	(252,306,047.03)	(264,542,903.49)
Other Reserves	13,518,900.00	13,518,900.00	13,518,900.00
Security Premium Reserve			
Opening Balance	11,805,000.00	11,805,000.00	
Appropriations during the year	-	-	
Closing Balance	**11,805,000.00**	**11,805,000.00**	
Capital Reserve			
Opening Balance	**1,713,900.00**	1,713,900.00	
Appropriations during the year	-	-	
Closing Balance	**1,713,900.00**	1,713,900.00	
Retained Earning			
Opening Balance	(252,306,045.51)	(2634,542,903.49)	
Net profit for the period	(40,759,771.09)	13,425,963.25)	
Acturial Gains	1,329,242.15	(1,189,105.28)	
Closing Balance	**(291,736,574.45)**	**(252,306,045.51)**	

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

a. **Equity Share Capital**
Equity Shares of INR 10 each issued, subscribed and fully paid

	NO.	INR
At 1st April 2016	13,916,000	138,882,000.00
Increase/(decrease) during the year		
At 31st March 2017	13,916,000	138,882,000.00
Increase/(decrease) during the year		
At 31st March 2018	**13,916,000**	**138,882,000.00**

b. **Other Equity**
For the year ended 31st March 2018

	Attributable to the Equity Holder Reserves and Surplus				
	Equity Components of	Share Premium	Capital Reserve	Retain Earnings	Total Equity
As at 1st April 2017	98,111,062.00	11,805,000.00	1,713,900.00	(252,306,046.97)	(140,676,084.97)
Profit for the period				(40,759,771.09)	(40,759,771.09)
Other Comprehensive Income				1,329,242.15	1,329,242.15
Total Comprehensive Income	98,111,062.00	11,805,000.00	1,713,900.00	(291,736,575.91)	(180,106,613.91)
As at 31st March 2018	98,111,062.00	11,805,000.00	1,713,900.00	(291,736,575.91)	(180,106,613.91)

For the year ended 31st March 2017

	Attributable to the Equity Holder Reserves and Surplus				
	Equity Components of	Share Premium	Capital Reserve	Retain Earnings	Total Equity
As at 1st April 2016	98,111,062.00	11,805,000.00	1,713,900.00	(264,542,904.95)	(152,912,942.95)
Profit for the period				13,425,963.25	13,425,963.25
Other Comprehensive Income				(1,189,105.28)	(1,189,105.28)
Total Comprehensive Income	98,111,062.00	11,805,000.00	1,713,900.00	(252,306,046.97)	(140,676,084.97)
As at 31st March 2017	98,111,062.00	11,805,000.00	1,713,900.00	(252,306,046.97)	(140,676,084.97)

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

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

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

Place : Chandigarh.
Date : May 30, 2018

12. Borrowings

	Effective Int. Rate	Maturity	Installment (No.)	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
Non-Current Borrowings						
Term Loan						
From Banks						
(i) Term Loan from SBI (Secured)	16.75%	2011-2019	28	38,071,527.74	38,198,053.00	54,674,737.00
(ii) Term Loan from UCO Bank (Secured)	16.75%	2011-2019	28	60,621,333.04	60,764,077.04	80,794,128.00
(iii) Liability Component of Compound Financial Instrument (Unsecured)	16.75%	2011-2031 & 2013-2033	Lumpsum	16,851,018.00	14,433,420.00	12,362,672.00
(iv) Vehicle Loans (Secured)	10.25%	2016-2019	35.00	395,689.55	752,978.00	1,089,983.00
(v) Compulsory Convertible Deventure (CCD)	20.00%	2017-2019	Lumpsum	54,574,383.00	-	-
Unsecured Loans						
- From Directors (Unsecured)				54,401,492.00	50,210,834.00	55,538,538.00
- From Intercorporate (Unsecured)				5,264,211.00	-	-
Total borrowings				230,179,654.83	164,359,362.04	204,460,058.00
Less:Current maturities of debt				(88,037,298.74)	(51,818,000.00)	(39,752,000.00)
Less : Current maturities of Vehicle Loans				(395,689.55)	(373,564.00)	(335,983.00)
Less : Interest accured and due				(14,479,945.54)	(2,834,808.00)	(4,886,805.00)
Non-Current Borrowings				**127,266,721.00**	**109,332,990.04**	**159,485,270.00**

		31.03.2018	31.03.2017	01.04.2016
(i) Term Loan from SBI (Secured)	Amount	10,820,229.00	3,040,634.00	3,230,985.00
	Period of default	Since June 2017	Since March 2017	Since Jan-2016 March, 2016
(ii) Term Loan from UCO Bank (Secured)	Amount	16,752,403.13	4,395,727.00	6,071,093.00
	Period of default	Since June 2017	Since Jan-2017 March 2017	Since Jan-2016 March 2016

		31.03.2018	31.03.2017	01.04.2016
Current Borrowings				
(A) Loans repayable on demand				
Secured				
From Banks				
-State Bank of India	13.80% on Demand	115,639,468.51	115,891,126.00	113,540,845.00
-UCO Bank	14.50% on Demand	85,400,000.00	91,229,321.00	87,822,839.00
Interest accured and due		27,572,632.13	-	-
		228,612,100.64	**207,120,447.00**	**201,363,684.00**
(B) Other Financial Liabilities				
Current				
Current maturities of debt		88,037,298.74	51,818,000.00	39,752,000.00
Current maturities of vehicle loans		395,689.55	373,564.00	335,983.00
Interest accured and due		14,479,945.54	2,834,808.00	4,886,805.00
		102,912,933.83	**55,026,372.00**	**44,974,788.00**

At 31 March 2018, 31 March 2017 and 1 April 2016, there were 14,60,000 number of Redeemable Preference Shares in issue. Each Share has a par value of INR 100.00. Preference Shares amounting to Rs. 10 Crores will be redeemded 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 divedent of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The divident rights are non-cummulative. The Preference Shares rank ahead of the equity shares in the event of a liquidation. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.

	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
13. Provisions			
Provision for Employee Benefits	15,277,553.00	14,859,463.00	9,613,456.00
	15,277,553.00	**14,859,463.00**	**9,613,456.00**
Current	7,532,594.00	7,744,959.00	6,640,452.00
Non-Current	7,744,959.00	7,114,504.00	2,973,004.00
14. Deferred Income			
Deferred Income on account of Government Grant for EPCG License	993,870,83	2,680,084.37	7,013,221.78
Deferred Income on account of investment Subsidy	1,722,000.00	1,922,000.00	2,122,000.00
Deferred income on account of Government Grant for Property, Plant and Equipments	14,190,530.00	15,475,731.00	16,760,932.00
	16,906,400.83	**20,077,815.37**	**25,896,153.78**
Current	4,279,071.83	3,937,590.93	5,818,338.00
Non-Current	12,627,329.00	16,140,224.44	20,077,815.78

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

	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
15. Deferred Tax Assets / (Liabilities) (Net)			
Deferred Tax Assets / (Liabilities) (Net)	(35,196,777.00)	(33,832,902.00)	(37,885,074.00)
	(35,196,777.00)	**(33,832,902.00)**	**(37,885,074.00)**

Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Domestic Tax Rate for 31 March 2017 and 31 March 2018 :

	31.03.2018	31.03.2017
Accounting Profit before Income Tax	(39,990,303.94)	9,905,532.98)
At India's statutory Income Tax rate of 30.90% (31 March 2017:30.90%)	(12,357,003.92)	3,060,809.69
Non-deductible Expenses for Tax purposes	8,582,632.28	6,052,648.25
Utilisation of previous unrecognised Tax Losses	3,774,371.66	(9,113,457.82)
Income Tax expenses reported in the statement of profit and loss A/c	-	-
Reconciliation of deferred tax Liabilities (Net) :		
Opening Balance as on 1 April	(33,832,902.00)	(37,885,074.00)
Tax Income/(Expense) during the period recognised in profit and loss	(769,467.15)	3,520,430.28
Tax Income/(Expense) during the period recognised by OCI	(594,407.85)	531,741.72
Closing Balance as at March 31	(35,196,777.00)	(33,882,902.00)

	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
16. Other Liabilities			
Statutory dues payables	19,290,223.58	11,814,207.78	5,010,429.67
Other liabilities and payables	4,318,581.23	11,358,231.13	17,160,966.98
	23,608,804.81	23,172,438.91	22,171,396.65
Current	4,318,581.23	11,358,231.13	17,160,966.98
Non-Current	19,290,223.58	11,814,207.78	5,010,429.67

	31.03.2018 INR	31.03.2017 INR	01.04.2016 INR
17. Trade payables			
Trade Payables - Raw Material	64,508,606.19	75,855,633.00	109,583,242.00
Trade Payable - Capital	-	831,476.00	831,476.00
Trade Payables - Others	14,846,598.41	62,812,386.00	6,818,614.00
	79,355,204.60	**139,499,495.00**	**117,233,332.00**

Terms & Conditions of the above financial liabilities

Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.

	31.03.2018	31.03.2017
18. Revenue from Operations		
Revenue from Sale of products	377,709,848.99	443,905,706.57
Total Sale of Products	377,709,848.99	443,905,706.57
Other Operating Revenues	96,450.00	11,540.00
	377,806,388.99	443,917,246.57

Sale of goods does not include excise duty. Sale of goods net of excise duy is INR 377,709,848.99 (31 March 2017; INR 443,905,706.57). Revenue from operations for periods upto 30 June 2017 does not include excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

	31.03.2018	31.03.2017
19. Other Income		
Government Grant	3,171,414.54	5,818,338.41
Interest Income	189,522.00	144,580.00
Other Non-Operating Income/(Expense) (Net of Expenses directly attributable to such income)	36,559.43	720,619.00
	3,397,495.97	**6,683,537.41**

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

	31.03.2018	31.03.2017
20. Cost of Raw Material and Components Consumed		
Inventory at the beginning of the year	93,512,567.00	101,836,230.00
Add: Purchase	234,379,239.71	215,334,433.00
	327,891,806.71	317,170,663.00
Less : Inventory at the end of the year	104,606,740.00	93,512,567.00
Cost of Raw Material and Components Consumed	**223,285,066.71**	**223,658,096.00**
21. Employee Benefits Expenses		
Salaries, wages and bonus	78,089,646.36	91,718,729.00
Contribution to provident and other funds	4,893,809.00	5,190,557.00
Gratuity Expense	2,166,125.00	1,447,042.00
Leave Encashment	498,015.00	2,165,100.00
Staff Welfare Expense	3,064,369.91	2,858,657.00
	88,711,965.27	**103,380,085.00**
22. Finance Costs		
Interest Expense	41,906,127.34	56,913,935.00
Oher borrowing Cost	1,025,805.42	4,928,435.00
	42,931,932.76	**61,842,370.00**

	31.03.2018	31.03.2017	01.04.2016
	INR	INR	INR
23. Other Expenses			
Power & Fuel	9,233,959.00	11,011,804.00	
Other manufacturing Expenses	3,045,054.19	2,913,683.00	
Rent	1,375,000.00	1,051,000.00	
Rates and Taxes	1,214,678.57	319,546.00	
Insurance	631,671.76	698,182.00	
Repairs and maintenance			
Plants and machinery	214,718.00	286,280.00	
Buildings	44,973.00	1,160,868.00	
Vehicle running and maintenance	1,151,096.79	1,067,482.00	
Other selling expenses	7,703,242.89	2,824,005.00	
Travelling and conveyance	1,408,381.58	1,383,358.00	
Legal and professional fees	5,007,126,74	1,615,768.00	
Payment to auditor	129,800.00	126,500.00	
Prior period expenses	-	2,229,998.00	
Loss on sale of fixed assets (Net)	-	73,026.00	
Other Expenses	4,998,939,31	2,157,293.00	
	36,158,641.83	**28,918,793.00**	
Payment to Auditor			
As auditor			
Audit Fee			
Tax audit fee	129,800.00	126,500.00	
Limited review	-	-	
In other capacity :	-	-	
Taxation matters	-	-	
Company law matters	-	-	
Other services (certification fees)	-	-	
	129,800.00	126,500.00	

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

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

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

Place : Chandigarh.
Date : May 30, 2018

Notes to the Financial Statements for the year ended 31st March 2018

24. **Contingent liabilities:**

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

25. RELATED PARTY TRANSACTION:

		Sales to related Parties INR lacs	Purchases from related parties INR lacs	Amounts owed by related parties INR lacs	Amounts owed to related parties INR lacs	Loans Given/ (Received) INR lacs	(Repayment)/ Received INR lacs	Amountsowed byrelatedparties INR lacs
Entity in which Directors are interested								
Universal Cyber Info way Pvt. Ltd.	31.03.18	-	-	-	-	(52.64)	-	-
	31.03.17	-	-	-	-	-	-	-
	01.04.16	-	-	-	-	-	-	-
Directors	31.03.18	-	-	-	-	(230.02)	188.11	544.02
	31.03.17	-	-	-	-	(167.65)	220.93	502.11
	01.04.16	-	-	-	-	555.39	-	555.39

Key Management Personnel		Short Term Employee Benefits	Post-Emp. Benefits	Loan Given/ (Recd.)	(Repayment)/ Recd.	Amt. owned by Key-Mgt. Personnel
Amit Mahajan Director (Commercial)	31.03.18	23.92	9.27	-	-	-
	31.03.17	23.80	8.12	-	-	-
	01.04.16	-	-	-	-	-
Amit Mahajan Director (Operations)	31.03.18	21.60	9.38	-	-	-
	31.03.17	21.60	8.28	-	-	-
	01.04.16	-	-	-	-	-
R C Mahajan Managing Director	31.03.18	37.36	78.66	-	-	-
	31.03.17	37.84	67.12	-	-	-
	01.04.16	-	-	-	-	-
Director Sitting Fees	31.03.18	0.05	-	-	-	-
	31.03.17	-	-	-	-	-
	01.04.16	-	-	-	-	-
Company Secretary	31.03.18	3.00	0.09	-	-	-
	31.03.17	2.85	0.09	-	-	-
	01.04.16	-	-	-	-	-

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

Terms and conditions of transactions with related parties

Outstanding balances of Unsecured Loan from Directors and Related Parties at the year-end are unsecured and interest free and settlement occurs in Cash/ Bank. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 st March 2017: INR Nil, 1st April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

26. Deferred Tax

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

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

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits since they have arisen on account of recent losses incurred by the company for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit would increase by INR 1,86,17,582.

27. Employee Benefits:

A. Defined Contribution Plan

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

Particulars	2017-18	2016-17
Employer's contribution towards Provident Fund	31,86,511	34,52,064

B. Defined Benefit Plan

General description of the plan:

Gratuity	Leave Encashment
Unfunded	Unfunded

C. Method of valuation: Projected unit Credit Method

D. Reconciliation of opening and closing balance of defined benefit obligation: **Amount (in Rs.)**

Item	Gratuity		Leave	
	2018	2017	2018	2017
Net opening liability/(asset)	57,36,167	25,68,278	91,23,296	70,45,178
Expenses as recognized in P&L account	21,66,125	14,47,042	13,01,253	14,43,772
Remeasurements	(19,23,650)	17,20,847	(8,03,239)	7,21,328
Contributions/benefits paid	(2,21,538)	-	(1,00,861)	(86,982)
Net closing liability (asset)	57,57,104	57,36,167	95,20,449	91,23,296

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

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
FV of plan assets at the beginning of the period	-	-	-	-
Expected Return on plan assets	-	-	-	-
Contributions paid by the employer	2,21,538	-	1,00,861	86,982
Benefit paid by Fund	(2,21,538)	-	(1,00,861)	(86,982)
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	-	-	-	-

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

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
Present value of DBO/LTEB	57,57,104	57,36,167	95,20,449	9,12,329
FV of plan assets	-	-	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	57,57,104	57,36,167	95,20,449	9,12,329

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

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
Current Service Cost	17,64,593	12,48,000	6,62,622	8,97,771
Interest Cost	-	-	-	-
Actuarial (Gain)/ Loss of obligations	-	-	(8,03,239)	7,21,328
Actuarial (Gain)/ Loss of plan assets	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	4,01,532	1,99,042	6,38,631	5,46,001
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	21,66,125	14,47,042	4,98,014	21,65,100

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

Particulars	Gratuity		Leave	
	2018	2017	2018	2017
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	(1,61,877)	2,42,045	(1,51,501)	1,74,548
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(17,61,773)	14,78,802	(6,51,738)	5,46,780
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	(19,23,650)	17,20,847	(8,03,239)	7,21,328

I. Valuation Assumptions(Financial)

	2018	2017
Discount Rate	7.00%	7.00%
Estimated rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	NA	NA

(Demographic)

Mortality basis	Indian Assured Lives Mortality (2006-08) Ult
Attrition	5%
Disability	No explicit allowance
Leave availment factor	0%

Average Weighted Duration of liabilities:

Sensitivity Analysis Amount (in Rs.)

Item	Gratuity		Leave	
	2018	2017	2018	2017
Increase Discount Rate by 0.50%	5630347	5572319	9401025	9005409
Decrease Discount Rate by 0.50%	5891221	5910692	9646048	9247693
Increase Salary Inflation by 1%	6022404	6092767	9779269	9378979
Decrease Salary Inflation by 1%	5517657	5417398	9282159	8889344
Increase in Withdrawal Rate by 5%	5830828	5724765	9688389	9254574
Decrease in Withdrawal Rate by 5%	5552399	5599183	9246951	8900739

28. Fair Value of Financial Instruments

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

Amount (in Rs.)

Category	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Asset at Amortized cost				
Loan (refer Note No 4)	47,818,329.94	32,857,762.00	47,818,329.94	32,857,762.00
Other Current Financial Assets (refer Note No 7)	126,884,819.29	144,839,989.00	126,884,819.29	144,839,989.00
Financial Liabilities at Amortized cost				
Non-Current borrowings including current maturities (refer note no 12)	230,179,654.83	164,359,362.04	230,179,654.83	164,359,362.04
Current borrowing (refer note no 12)	228,612,100.64	207,120,447.00	228,612,100.64	207,120,447.00

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 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. The following methods and assumptions were used to estimate the fair values:

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 Company enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses Mark to Market provided by Bank for valuation of these derivative contracts.

The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques that use inputs having a significant effect on the recorded fair value which are not based on observable market data.

Particulars	Carrying Value	Fair Value Level 1	Level 2	Level 3
(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on **March 31, 2018**				
Loans (refer note no 4)	47,818,329.94	-	47,818,329.94	-
Other current financial assets (refer note no. 7)	126,884,819.29	-	126,884,819.29	-
(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on **March 31, 2017**				
Loans (refer note no 4)	32,857,762.00	-	32,857,762.00	-
Other current financial assets (refer note no. 7)	144,839,989.00	-	144,839,989.00	-
(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on **April 1, 2016**				
Loans (refer note no 4)	34,770,408.00	-	34,770,408.00	-
Other current financial assets (refer note no. 7)	115,875,141.00	-	115,875,141.00	-
(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on **March 31, 2018**				
Non-Current borrowings including current maturities (refer note no 12)	230,179,654.83	-	230,179,654.83	-
Current borrowings (refer note no. 12)	228,612,100.64	-	228,612,100.64	-
(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on **March 31, 2017**				
Non-Current borrowings including current maturities (refer note no 12)	164,359,362.04	-	164,359,362.04	-
Current borowings (refer note no. 12)	207,120,447.00	-	207,120,447.00	-
(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on **April 1, 2016**				
Non-Current borrowings including current maturities (refer note no 12)	204,460,058.00	-	204,460,058.00	-
Current borrowings (refer note no. 12)	201,363,684.00	-	201,363,684.00	-

29.Financial risk management objectives and policies

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Finance department under policies approved by the Board of Directors from time to time. The Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committes.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Company.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2016, March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

	0-1 Years	1-5 Years	More than 5 years	Total
March 31, 2018				
Interest bearing borrowings	228,612,100.64	54,574,383.50	27,506,580.04	310,693,064.18
Trade and Other payable (refer note no. 17)	79,355,204.60	-	-	79,355,204.60
Other financial liabilities (refer note no 12)	102,912,933.83	-	-	102,912,933.83
% to Total	**83.35%**	**11.07%**	**5.58%**	**100%**
March 31, 2017				
Interest bearing borrowings	207,120,447.00	379,414.00	61,577,550.04	269,077,411.04
Trade and Other payable (refer note no. 17)	139,499,495.00	-	-	139,499,495.00
Other financial liabilities (refer note no. 12)	55,026,372.00	-	-	55,026,372.00
% to Total	**86.64%**	**0.08%**	**13.28%**	**100%**
April 01, 2016				
Interest bearing borrowings	201,363,684.00	754,000.00	108,079,537.00	310,197,221.00
Trade and Other payable (refer note no. 17)	117,233,332.00	-	-	117,233,332.00
Other financial liabilities (refer note no. 12)	44,974,788.00	-	-	44,974,788.00
% to Total	**76.96%**	**0.16%**	**22.88%**	**100%**

Reconciliation of Interest bearing borrowings — Amount (in Rs.)

	Schedule no	As at March 31, 2018	As at March 31, 2017
(i) Non-Current borrowings	12	127,266,721.00	109,332,990.04
Adjustment for Non Interest bearing Unsecured Loans		(59,665,703.00)	(50,210,834.00)
Adjustment for Interest accured and due		14,479,945.54	2,834,808.00
(ii) Short-term borrowings	12	228,612,100.64	207,120,447.00
		310,693,064.18	**269,077,411.04**

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks, foreign exchange transactions and other financial assets.

(i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on group category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department team in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.
The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 , March 31, 2017 and March 31, 2016 is the carrying amounts as illustrated in note 8 (i), 8 (vi) and the liquidity table above.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of at March 31, 2018 and March 31, 2017.

(i) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.
Interest rate Sensitivity of Borrowings *

(Rs. in Lakhs)

Year	Increase/ decrease in Interest rate	Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31, 2018	0.50%	(39.50)	39.50
March 31,2017	0.50%	(65.82)	65.82

* excludes short term borrowings i.e. Cash credit, packing credit, bills discounted and working capital demand loan.

(ii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activites require the ongoing purchase of raw material and therefore requires a continues supply. The Company operations may impact due to changes in prices of those raw materials.

Commodity price sensitivity of Raw material (Rs in lakhs)

Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2018	10%	(4,955.49)
For the year ended March 31, 2018	-10%	4,955.49
For the year ended March 31, 2017	10%	(4,654.59)
For the year ended March 31, 2017	-10%	4,654.59

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 maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Borrowings	355,878,821.64	316,453,437.04	360,848,954.00
Other financial liabilities	102,912,933.83	55,026,372.00	44,974,788.00
Trade payables	79,355,204.60	139,499,495.00	117,233,332.00
Less: Cash and Cash equivalents	(1,026,970.91)	(537,279.00)	(1,343,348.00)
Less: Other bank balances	(926,829.00)	(3,073,024.00)	(3,706,686.00)
Net Debt	536,193,160.16	507,369,001.04	518,007,040.00
Equity share capital	138,882,000.00	138,882,000.00	138,882,000.00
Other equity	(180,106,615.02)	(140,676,085.03)	(152,912,941.49)
Total Equity	(41,224,615.02)	(1,794,085.03)	(14,030,941.49)
Total Capital and net debt	494,968,545.14	505,574,916.01	503,976,098.51
Gearing ratio	-1301%	-28280%	-3692%

31. First-time adoption of Ind AS:

These financial statements, for the year ended 31st March 2018, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31stMarch 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

➔The Company has opted to continue with the carrying value as recognized in previous GAAP financials as deemed cost for all its Property, Plant & Equipment (PPE) after considering the necessary. All Property, Plant and Equipments, other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of historical costs as on 31st March 2016. The Company has elected to regard those values as deemed cost at the date of the transition since they were broadly comparable to fair value. The company has also determined that deemed cost as at 31st March 2016 does not differ materially from fair valuation as at 1st April 2016. Accordingly, the company has not revalued the property at 1st April 2016.

Estimates:

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordancewith Indian GAAP (after adjustments to reflect any differences in accounting policies) except for Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present such amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of Equity as on 1st April 2016(date of transition to IND AS)

Particulars	Notes	IGAAP As at April 1, 2016	Adjustments As at April 1, 2016	Ind AS As at April 1, 2016
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	1	210,976,129.48	38293120.81	249269250.29
Financial Assets				
(d) Security Deposits		1,289,215.00	0.00	1289215.00
Prepayments	2	-	76500.00	76500.00
(B) CURRENT ASSETS				
i) Inventories		188,199,985.23	0.00	188199985.23
ii) Financial Assets				
(a) Trade Receivables		114,954,010.06	0.00	114954010.06
(b) Cash & Cash Equivalents	3	1,395,521.52	(52173.52)	1343348.00
(c) Bank Balance other than (b) above		3,706,686.00	0.00	3706686.00
(d) Loans		33,481,193.32	0.00	33481193.32
(e) Others		12,229,526.00	0.00	12229526.00
iii) Prepayments	2	-	42500.00	42500.00
Total Assets		566,232,266.58	38359947.32	604,592,213.90
EQUITY AND LIABILITIES				
(C) EQUITY				
i) Equity Share capital		138,882,000.00	0.00	138882000.00
ii) Other Equity				
(a) Equity Component of Compound Financial Instrument	4	146,000,000.00	(47888938.00)	98111062.00
(b) Reserve & Surplus	8	(277,422,256.46)	12879352.97	(264542903.49)
(c) Other Reserves	1	16,518,900.00	(3000000.00)	13518900.00
(D) LIABILITIES				
Non Current Liabilities				
i) Financial Liabilities				
(a) Borrowings	4	147,122,598.78	12362671.22	159485270.00
(b) Other Financial Liabilities			0.00	0.00
ii) Provisions		3,339,269.00	(366265.00)	2973004.00
iii) Deferred Income	5	-	20077815.78	20077815.78
iv) Deferred Tax Liabilities (Net)	6	-	37885074.00	37885074.00
v) Other Non Current Liabilities		5,010,429.67	0.00	5010429.67
Current Liabilities				
i)Financial Liabilities				
(a) Borrowings		201,363,684.61	0.00	201363684.61
(b) Trade payables		117,233,332.00	0.00	117233332.00
(c) Other Financial Liabilities		44,974,788.00	0.00	44974788.00
ii) Other Current Liabilities		-	0.00	0.00
iii) Provisions		6,048,554.00	591898.35	6640452.35
iv) Deferred Income	6	-	5818338.00	5818338.00
v) Other Current Liabilities		17160966.98	0.00	17160966.98
Total Equity & Liabilities		566,232,266.58	38359947.32	604,592,213.90

Particulars	Attributable to the equity holders					
			Reserves and Surplus			
	Equity component of the redeemable preference shares	Share Premium	State Investment Subsidy	Capital Reserve	Retained Earnings	Total equity
Opening As at 31st March 2016	146000000	11805000	3000000	1713900	-277422255	-114903355
Transitional Adjustments on account of:						
Debt Component of Compound Financial Instrument	-6595004					-6595004
Tax Impact on Equity Component of CFI	-41293934				41293934	0
Interest on Debt Component of CFI					-5767668	-5767668
Depreciation on PPE out of EPCG adjustment					-13945586	-13945586
Recognition of Deemed Income over License Period of EPCG					28208944	28208944
Amortization of Processing Fee over tenor term of loan					119000	119000
Adjustment on account of amortization of Investment Subsidy Reserve over the useful life of assets					878000	878000
Adjustment on account of amortization of Deferred Income on subsidy					255608	255608
Deferred Tax adjust for the above transitional adjustments					-37885074	-37885074
Other Adjustments			-3000000			-3000000
Errors: Adjustment on the account of FDR written off					-52173	-52173
Adjustment on account of change in Actuarial Valuation					-225633	-225633
Total Comprehensive Income	**98,111,062**	**11,805,000**	**0**	**1,713,900**	**-264,542,902**	**-152,912,941**
At 1st April 2016	**98,111,062**	**11,805,000**	**0**	**1,713,900**	**-264,542,902**	**-152,912,941**

1. Property, Plant & Equipment:

As per INDAS 20, accounting for Government grants and disclosure of Government Assistance, the Company has already deducted the amount of grant from the cost of fixed assets and it has recognized the amount of unamortized deferred income as at the date of transition in accordance with paragraph 10 of IND AS 101. The corresponding adjustment has been made in the carrying value of PPE (Net of cumulative depreciation impact) and retained earning respectively, as the grant is directly linked to PPE.

Further, the deferred income is recognized as income over the period of the EPCG licenses.

Under Indian GAAP, the transaction costs incurred in connection with borrowings are capitalized as part of the fixed assets and amortized accordingly. However as per IND AS 109, the carrying amount of loan is required to be restated to its amortised cost as at the date of the transition.Since the Company had already capitalized the processing cost as a part of the cost of the fixed assets, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101, the carrying amount of fixed assets as at the date of the transition has been reduced by the amount of processing cost (net of cumulative depreciation impact).

2. Prepayments:

Under Indian GAAP the processing cost incurred for loans was accounted as under:

a. In Case the loan has been availed for funding of capital asset, the processing fee was capitalized as part of the cost of the asset;
b. In case the loan has been availed for meeting working capital gap the processing fee incurred is charged to profit and loss account

However as per IND AS 109, the carrying amount of loan is required to be restated to its amortised cost as at the date of the transition. Since the respective loans availed by the Company carried floating rate of interest and the transaction cost was not material hence the transaction cost has been amortized on straight line basis over the tenure of the respective loan.

3. Cash & Cash Equivalents:

As per Indian GAAP all amounts in the bank used to be classified as Cash & Cash equivalents. However as per Ind AS cash or a cash equivalent the use of which is restricted from being exchanged or to settle a liability for at least twelve months after the reporting period are to be shown as Other Bank Balances. Accordingly the amounts which are held by the bank as margin money resulting in to restriction on its usage has been classified as Other Bank Balances which are not part of Cash or a Cash Equivalent.

4. 8% Non Cumulative/ Non Convertible Redeemable Preference Share Capital:

AS 32 requires the issuer of a non-derivative financial instrument to evaluate the terms of the financial instrument to determine whether it contains both a liability and an equity component. This evaluation is based on the contractual terms of the financial instruments, the substance of the arrangement and the definition of a financial liability, financial asset and an equity instrument. If such components are identified, they must be accounted for separately as financial liabilities, financial assets or equity, [IAS 32.28], and the liability and equity components shown separately in the statement of financial position. [IAS 32.29].

The Preference Shares issued by the company are non-convertible and will be redeemed in year 2031 and 2033 at the price of INR 100/- per share. The Preference Shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The same has been classified as Compound Financial Instrument and segregated in to Debt and Equity as per above said explanation. Further Equity Portion of the Compound Financial Instrument has been shown net of tax impact.

5. EPCG/ Deferred Income:

As per Ind AS 20, accounting for government grants and disclosure of government assistance, the Company has already deducted the amount of grant from the cost of the fixed assets and it has recognised the amount of unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

Further, the deferred income is recognised as income on the basis of fulfilment of corresponding export obligations with respect to the grant availed.

6. Deferred Tax:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional/ restatement adjustments lead to temporary differences. According to the accounting policies,the company has to account for such differences.

7. Errors:

a. Cash and Cash Equivalents:
As per IND AS, Fixed Deposits shown in Cash and Cash Equivalents as per IGAAP does not qualify for the definition of assets and hence has been written off.

b. Provisions:

Under Ind AS, 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 liability) are recognized in balance sheet on the basis of Actuarial Report as per IND AS 19. Due to change in the Financial, Experience and Demographic assumptions, there has been change in the liability of provisions which has been reflected in the current as well as non current liability.

8. Retained Earnings:

Retained earnings as at 31st March, 2017 and 1st April, 2016 have been adjusted consequent to the Ind AS transition adjustments mentioned herewith.

9. Statement of Cash Flows:

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

10.Other Comprehensive Income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income', includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

11.Remeasurements of post-employment benefit obligations:

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under Ind AS, 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 liability) are recognized in balance sheet through other comprehensive income.

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

Place: Chandigarh. **(CA SHENU AGGARWAL)**
Partner

Date : May 30, 2018 Membership No. 527267
FRN 023083N

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the shareholders of the company will be held on Thursday, the 27th day of September, 2018 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8 B, Mohali, Punjab to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018 and the Profit and Loss Account & cash flow statement for the year ended on that date together with the reports of Auditors' and Directors' including the management & discussion analysis thereon.
2. To appoint a director in place of Mr. Amit Mahajan (DIN: 00038827), Director (Operations) who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS :

3. Rescission/ Withdrawal of Special Resolution No. 1 passed through Postal Ballot dated 12th March, 2018.

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

   "RESOLVED THAT the resolution passed by the members through Postal Ballot dated 12th March, 2018 for Alteration of Capital Clause in the Memorandum of Association of the Company by reclassifying the existing authorised share capital and the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association be and is hereby rescinded/withdrawn."

4. Rescission/ Withdrawal of Special Resolution No. 2 passed through Postal Ballot dated 12th March, 2018.

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

   "RESOLVED THAT the resolution passed by the members through Postal Ballot dated 12th March, 2018 for Variation of rights, terms and conditions of the Redeemable Preference Shares and their conversion into 0.01% Optionally Convertible Preference Shares and the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association be and is hereby rescinded/withdrawn."

5. Rescission/ Withdrawal of Special Resolution No. 3 passed through Postal Ballot dated 12th March, 2018.

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

   "RESOLVED THAT the resolution passed by the members through Postal Ballot dated 12th March, 2018 for issue of Equity shares of the Company to the Promoter / Promoter Group against the outstanding unsecured loans received by the Company from its promoter/promoter group be and is hereby rescinded/withdrawn."

For and on behalf of the Board

Place: Mohali — sd/-
Date: 14.08.2018 — (R. C. Mahajan)
Regd. Office: — Managing Director
E-217, Industrial Area, — DIN : 00038661
Phase 8 B, Mohali, Punjab

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 21.09.2018 to 27.09.2018 (both days inclusive).
4. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies or societies etc. must be supported by appropriate resolutions / authority, as applicable.
5. In case of joint holders attending the meeting, the joint holder who is higher in order of names under a given Folio / DP ID-Client ID (in respect of dematerialized shares) will be entitled to vote.
6. Members / Proxies are requested to bring their copy of this notice along with duly filled admission slip for attending the meeting.
7. Members holding shares in physical form are requested to notify change in address, if any, to the company at its Registered Office or to the Registrar & Transfer Agents – M/s Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.
8. Members holding shares in electronic form are requested to notify change in their address, if any, to their Depository Participant.
9. Pursuant to the provisions of Companies Act, 2013 read with the rules framed thereunder, the company may send notice of general meeting and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity atleast once in a financial year to the members to register their e-mail address and changes therein. In view of the same, members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, members are requested to inform their e-mail ID to the company.
10. Electronic copy of the notice of general meeting of the company is being sent to all the members whose email Ids are registered with the company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies are being sent by the permitted mode.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Regulations, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening annual general meeting to be held on Thursday, the 27th day of September, 2018 at 09:00 A.M. at the registered office of the company at E-217, Industrial Area, Phase 8-B, Mohali (Punjab). The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
12. The instructions for members for e-voting are as under:

(i) The voting period begins on Monday, the 24th day of September, 2018 at 09:00 A.M. and ends on Wednesday, the 26th day of September, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, the 20th day of September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com .

(iii) Click on Shareholders.

(iv) Now Enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.· Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company, i.e. S R Industries Limited on which you choose to vote (EVSN 180830063).

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Since, the Company is required to provide the members facility to exercise their vote byelectronic means, shareholders of the company, holding shares either in physical form or dematerialized form as on the cut-off date i.e. Thursday, the 20th September, 2018 and not casting their vote electronically, may also cast their vote at the Annual General Meeting.

(xxi) The members who have cast their vote by e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

(xxii) Mr. Ramesh Bhatia, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxiii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting thereafter, unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in employment of the Company and make, not later than 3 days from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.

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

ITEM NO. 2

A brief profile of the Director retiring by rotation and is eligible for re-appointment:

Mr. Amit Mahajan (DIN: 00038827), Director (Operations) who retires by rotation and is eligible for re-appointment.

Age: 44 years as on 31.03.2018

Qualification: Be (Mech.)

Experience: Over 23 years experience in handling operational activities.

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

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

Date of first appointment on the Board: 01.09.2006

Shareholding in the company: Holds 411450 shares as on 31.03.2018

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

Number of Meetings of the Board attended during the year: 8

Other Directorships: Nil

Membership/ Chairmanship of Committees of other Boards: Nil

Item No. 3

Your Board at its meeting held on 14th August, 2018 has decided to rescind the Special Resolution No. 1 passed by the members through Postal Ballot dated 12th March, 2018 for Alteration of Capital Clause in the Memorandum of Association of the Company by reclassifying the existing authorised share capital of Rs. 300,000,000 (Rupees Thirty Crore only) divided into 15,000,000 (One Crore Fifty lakhs) Equity Shares of Rs.10 each (Rupees Ten only) and 1,500,000 (Fifteen Lakhs) 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 (Rupees Hundred only) each to Rs. 300,000,000 (Rupees Thirty Crore only) divided into 21,750,000 (Two Crore Seventeen Lakhs Fifty Thousand) Equity Shares of Rs. 10 each (Rupees Ten only) and 7,50,000 (Seven Lakhs Fifty Thousand) 0.01% Optionally Convertible Preference Shares of Rs. 100 (Rupees Hundred only) and 75,000 (Seventy-Five Thousand) 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 (Rupees Hundred only) each, and accordingly the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association shall also be rescinded/ withdrawn.

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

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

Item No. 4

Your Board at its meeting held on 14th August, 2018 has decided to rescind the Special Resolution No. 2 passed by the members through Postal Ballot dated 12th March, 2018 for Variation of rights, terms and conditions of the Redeemable Preference Shares and their conversion into 0.01% Optionally Convertible Preference Shares and accordingly the corresponding alteration in the Capital Clause of the Memorandum and Articles of Association shall also be rescinded/ withdrawn.

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

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

Item No. 5

Your Board at its meeting held on 14th August, 2018 has decided to rescind the Special Resolution No. 3 passed by the members through Postal Ballot dated 12th March, 2018 for Issue of Equity shares of the Company to the Promoter / Promoter Group against the outstanding unsecured loans received by the Company from its promoter/promoter group.

The Board of Directors recommends the Special Resolution as set out under item No. 5 for approval of the members of the Company.

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

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

Place: Mohali	sd/-
Date: 14.08.2018	(R. C. Mahajan)
Regd. Office:	Managing Director
E-217, Industrial Area,	DIN : 00038661
Phase 8 B, Mohali	