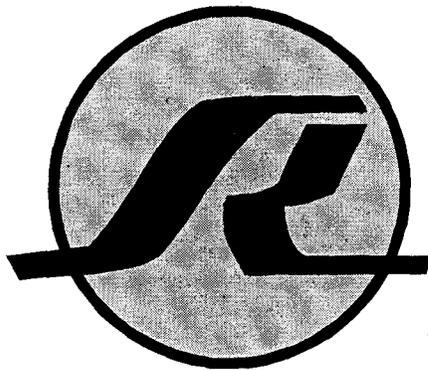


**Twentieth Annual Report  
2008-09**



**S. R. INDUSTRIES LIMITED**

*Weaving together the fabric of success....*

**BOARD OF DIRECTORS**

**Chairman**

Mr. S.K.Duggal

**Managing Director**

Mr. R.C.Mahajan

**Whole-time Directors**

Mr. Amit Mahajan Director (Commercial)

Mr. Amit Mahajan Director (Operations)

Mr. T. N. Tikoo Director (Works)

Mr. Y. R. Kapur Director (Finance)

**Directors**

Mr. R.K.Bhandari

Mr. B.K.Malhotra

Mr. V. K.Dewan

Mr. M. M. Puri

**Company Secretary**

Mr. Vikas Goyal

**Auditors**

M/s. Kansal Singla & Associates

**Bankers**

State Bank of Patiala

UCO Bank

**Regd. Office**

Village Kuranwala,

Barwala Road,

Derabassi - 140507

Distt. Mohali (Punjab)

**Contents**

**Page**

Directors' Report 1

Auditors' Report 7

Balance Sheet 9

Profit & Loss Account 10

Cash Flow Statement 11

Schedules 12

Notes on Accounts 16

Notice 19

Proxy Form & Attendance Slip

**TWENTIETH ANNUAL GENERAL MEETING**

Date : September 30, 2009

Day : Wednesday

Time : 10:00 a.m.

Venue : Village Kuranwala, Barwala Road,

Derabassi - 140507

Distt. Mohali (Pb.)

**NO GIFTS OR COMPANY'S PRODUCT WILL  
BE GIVEN FOR ATTENDING THE MEETING**

**NOTE**

1. Members intending to require information about accounts to be explained at the Annual General Meeting are requested to inform the Company at least 7 days in advance of the date of meeting.
2. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting.

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present their TWENTIETH ANNUAL REPORT and the Audited Statement of Accounts for the year ended March 31, 2009.

**FINANCIAL RESULT**

	2008-09	2007-08
Turnover	3246.69	3321.57
Export Incentives	254.31	284.42
Profit before interest, depreciation and taxation	434.25	553.53
Financial expenses	(161.22)	(168.97)
Profit before depreciation & taxation	273.03	384.56
Depreciation	(226.64)	(338.16)
Provision for Taxation		
- Current Tax	(4.80)	(5.00)
- Deferred Tax	(12.45)	(33.12)
- Fringe Benefit Tax	(3.25)	(4.00)
Provision for taxes not required	0.79	6.71
Mat paid during earlier	42.11	-
Expenses relating to earlier years	(5.21)	(1.08)
Net profit after tax	63.57	9.91
Earning per share (Re.)		
- Basic	0.51	0.08
- Diluted	0.51	0.08

**FUTURE PROSPECTS**

Your Board of directors have decided to diversify into manufacturing of footwear. The state of the art plant is being set up at Vill- Singhan, Tehsil-Haroli, Distt. Una (Himachal Pradesh) with an installed capacity of 1.5 Million Pairs per annum at a total project cost of Rs. 30.50 crores. Term loan from State Bank of Patiala and UCO Bank have been sanctioned. The project is at the advance stage of implementation as civil works on the project site are nearing completion and orders placed for plant and machinery. The arrangements with leading international brand for contract manufacturing have been finalised. The commercial production is expected by March 2010.

Further, with a view to enhance the production and profitability, your company has decided to replace six looms in the existing terry towel unit for which term loan has been sanctioned by SBOP.

**DIVIDEND**

In view of the diversification, expansion and future plans, your Directors want to retain the profits and therefore, do not recommend any dividend for the year under review.

**DEPOSITS**

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

**STAFF**

The relationship between the employees and the management continued to remain cordial during the year under review. The Directors hereby place on record their appreciation for the efficient and dedicated services rendered by the employees at all levels.

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended) may be taken as nil as no employee received remuneration in excess of the limits prescribed under the said Section.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Article 74 of the Articles of Association of the Company Mr. Amit Mahajan, Director (Operation), Mr. Amit Mahajan, Director (Commercial) & Mr. B.K.Malhotra retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for reappointment.

Further, Mr V. K. Dewan, Who was appointed as an Additional Director w.e.f January 29, 2009, shall hold office till the date of forthcoming Annual General Meeting. Your Directors have received a notice under Section 257 of the Companies Act 1956 from a Member alongwith deposit of Rs 500/- recommending his candidature for appointment as director liable to retire by rotation.

**CORPORATE GOVERNANCE**

A detailed report on Corporate Governance as required under the Listing Agreement with the Bombay Stock Exchange Ltd. (BSE), Mumbai is annexed to this report. The Certificate issued by Practicing Company Secretary, in pursuance of Clause 49 of the Listing Agreement in compliance of Corporate Governance, is also annexed with this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors report -

- i) that in the preparation of the annual accounts for the financial year 2008-09, the applicable accounting standards had been followed along with proper explanations relating to material departures,
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year ended on that date,
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv) that the Directors had prepared the annual accounts for the financial year ended on March 31, 2009 on a Going Concern basis.

**AUDITORS**

M/s Kansal Singla & Associates, Statutory Auditors, hold office until the conclusion of the ensuing annual general meeting and being eligible, offer themselves for re-appointment. They have confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956 and willingness to accept the office of the Statutory Auditors, if re-appointed.

**AUDITORS' REPORT**

The Statutory Auditors of the Company have submitted their report on the accounts for the year ended March 31, 2009, which is self-explanatory and needs no further comments.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

**ACKNOWLEDGMENTS**

The Directors wish to place on record their appreciation to State Bank of Patiala., UCO Bank, Central/State Government Agencies, Customers and Business Associates for their continued cooperation and support.

The Board of Directors also takes this opportunity to acknowledge the dedicated efforts made by workers, staff and officers and their contribution to the success achieved by the Company.

Above all, the Directors express their gratitude towards the members of the Company for their continuing support and for the confidence reposed in the Management.

For and on behalf of the Board

Place: Derabassi  
Date : September 05, 2009

**S.K.DUGGAL**  
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE**

**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company believes in abiding by the Code of Corporate Governance so as to be a responsible corporate citizen and to serve the best interest of all the stakeholders and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner and by being fair to all stakeholders and by ensuring that the Company's activities are managed by a professionally competent Board of Directors. The Company has over the years followed the best practices of Corporate Governance by adhering to the practices laid down by the Management. The most important part of Corporate Governance is the best business principles and leadership. The Company has also followed the implementation schedule of Corporate Governance Code as mentioned in Clause 49 of the Listing Agreement. The Directors are pleased to report the same as under -

**BOARD OF DIRECTORS**

The present strength of the Board is ten. The Board Comprises of Executive and Non-Executive Directors. Five Directors including the Managing Director, are Whole-time Directors (Executive Directors). There are five Non-Executive Directors, including the Chairman, all of them being Independent Directors.

The composition of Board, number of Directorships & Committee positions held by

each of the Directors are given hereunder –

Sl. No	Name of Director	Category	No. of Board Meeting(s) attended	Attendance at Previous AGM held on September 29, 2008	No. of Outside Directorship(s) held (*)		No. of Membership(s)/ Chairmanship(s) in other Committees (**)	
					As Director	As Chairman	As Member	As Chairman
1.	Mr.S.K.Duggal	Chairman - Non-Executive & Independent	6	YES	8	-	-	3
2.	Mr.B.K.Malhotra	Non-Executive & Independent	2	NO	-	-	-	-
3.	Mr.H.K.Agarwal*	Non-Executive & Independent	1	NO	-	-	-	-
4.	Mr.R.K.Bhandari	Non-Executive & Independent	4	NO	5	2	1	-
5.	Mr.M.M. Puri	Non-Executive & Independent	2	NO	-	-	-	-
6.	Mr. V. K. Dewan**	Non-Executive & Independent	-	NA	-	-	-	-
7.	Mr.Y.R.Kapur	Whole-time	6	YES	1	-	-	-
8.	Mr.T.N.Tikoo	Whole-time	4	YES	-	-	-	-
9.	Mr.Amit Mahajan	Whole-time	6	YES	-	-	-	-
10.	Mr.Amit Mahajan	Whole-time	6	YES	1	-	-	-
11.	Mr.R.C.Mahajan	Managing Director	6	YES	-	-	-	-

\* Resigned w.e.f. January 29, 2009

\*\* Appointed w.e.f. January 29, 2009

\*\*\*Excludes directorship held in private limited companies, foreign companies, companies under section 25 of the Companies Act, 1956 and memberships of Managing Committees of other Chambers/Institutions/Boards.

\*\*\*\* Includes Membership/Chairmanship of Audit Committee and Shareholders grievances Committee only.

During the year none of the Directors was either a member of more than ten committees or was a Chairman of more than five committees of any public limited company.

#### BOARD MEETINGS AND ATTENDANCE

During the year ended March 31, 2009, six Board Meetings were held on the following dates –

Date of Meeting	Board Strength	No. of Directors Present
June 30, 2008	10	9
July 30, 2008	10	6
October 31, 2008	10	7
January 05, 2009	10	6
January 28, 2009	10	9
March 20, 2009	10	6

The gap between two Board Meetings did not exceed four months. Further, the information as required under Annexure I-A to the Clause 49(I)(C)(i) of the Listing Agreement is made available to the Board. The Agenda and other papers having adequate information for consideration of the Board are circulated well in advance. Further, the compliance report of statutory requirements is placed before the Board on quarterly basis.

#### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Except for Mr. S.K.Duggal who holds (in his own name or on a beneficial basis) 300 equity shares, no other Non-Executive Director holds any equity share of the Company.

#### CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has adopted a Code of Conduct for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the members of the Senior Management. The Code has also been posted on the Company's website www.srtowels.com. All Board Members and Senior Management have confirmed compliance with the Code for the year ended March 31, 2009. The Annual Report contains a declaration to this effect signed by the Managing Director who is also the Chief Executive Officer.

#### RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

##### Mr. Amit Mahajan, Director (Operations)

Mr. Amit Mahajan who is retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting, is a Whole-Time Director. Mr. Amit Mahajan is a B.E. and has experience in production quality control, procurement and factory administration and is involved in the production planning, production programme and development and designing of new and innovative products to meet the international demand. Presently he is the head of the production team and in charge of the factory.

Mr. Amit Mahajan is not a Chairman / Member of the Board of Director of any company (excluding private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956) Presently, Mr. Amit Mahajan holds 411450 Equity Shares of the company.

##### Mr. Amit Mahajan, Director (Commercial)

Mr. Amit Mahajan, who is retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting, is a Whole-Time Director. Mr. Amit Mahajan is a B.Sc (Economics) from University of Pennsylvania and has more than fourteen years experience in Textile Industry. Mr. Amit Mahajan is also a Director (excluding private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956) of Gulmohar Investment & Holdings Ltd.

Presently, Mr. Amit Mahajan holds 1102000 Equity Shares of the company.

##### Mr. B.K.Malhotra

Mr. B.K.Malhotra, who is a retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting, is a MBA and had served IFCL as Chief General Manager. He has vast experience for the setting up of medium and large industries and monitoring their implementation. Mr. B.K.Malhotra is not a Chairman/Member of the Board of Directors of any company (excluding private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956).

Presently, Mr. B.K.Malhotra does not hold any equity share of the company.

#### BOARD COMMITTEES

Pursuant to Clause 49 of the Listing Agreement, the Board has constituted the following Committees with necessary delegation for smooth and efficient working –

##### AUDIT COMMITTEE

The Audit Committee of the Company has such powers as are detailed under Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement.

The scope of Audit Committee includes, inter-alia, reviewing the systems, compliance of statutory and legal requirements, recommending appointment & re-appointment of statutory auditors, fixation of their remuneration and reviewing internal/statutory audit reports. It also includes the reviewing annual budgets, budgeted vs actual performance and quarterly/annual financial results, before submitting the same to the Board. As and when required, senior management personnel, statutory auditors and other professionals are also invited to attend the Audit Committee meetings.

The powers and role of Audit Committee is in agreement with Clause 49(II)(C)/(D) of the Listing Agreement. Further, the Audit Committee periodically reviews the information required under Clause 49(II)(E) of the Listing Agreement. The Board of Directors reconstituted the Audit Committee on January 29, 2009.

Presently, the Audit Committee consists of the following three Directors –

- 1) Mr. R.K.Bhandari-Chairman
- 2) Mr.M.M.Puri-Member
- 3) Mr.Y.R.Kapur-Member

Mr. R.K.Bhandari and Mr. M.M.Puri are non-executive and independent directors, whereas Mr. Y.R.Kapur is an executive director. The members of the Committee are qualified, experienced and professional having knowledge in industry, finance, project monitoring, company law and other related matters. The quorum of the Audit Committee Meeting is two members, but there should be a minimum of two independent directors present.

# S. R. Industries Limited

Annual Report 2008-09

During the year under review, the Audit Committee met four times on June 30, 2008, July 30, 2008, October 31, 2008 and January 28, 2009 respectively. The attendance at the Audit Committee was –

Member	No. of Meetings	
	Held	Attended
Mr. R.K.Bhandari	4	4
Mr. H.K.Agarwal	4	4
Mr. Y.R.Kapur	4	4

## REMUNERATION COMMITTEE

The Board of Directors reconstituted the Remuneration Committee of the Company w.e.f. January 29, 2009. Presently, the Remuneration Committee consists of the following three Directors –

- 1) Mr.V.K.Dewan-Chairman
- 2) Mr.R.K.Bhandari-Member
- 3) Mr.B.K.Malhotra-Member

All the three members are independent directors. The scope of Remuneration Committee includes the determination of remuneration packages for the Executive and Non-Executive Directors including remuneration policy, pension rights and any compensation payable as stock options, etc.

## REMUNERATION POLICY

The Remuneration Policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis. The Board/Remuneration Committee within the ceiling fixed by the shareholders decides the remuneration of the Directors.

### A) Managing Director & Whole-time Directors

The remuneration paid to the Managing Director and Whole-time Directors is subject to the limits laid down under Section 198, 309/310 and Schedule XIII to the Companies Act, 1956 and in accordance with the terms of their respective appointment approved by the shareholders of the Company. Their remuneration consists of salary, company's contribution to provident fund & gratuity, house rent allowance/rent free accommodation, medical reimbursement, leave travel concession, club fees, personal accident insurance, books, magazines & periodicals, telephone and car and other perquisite and allowances in accordance with Company's Rules, as applicable from time to time. In addition to this, the Managing Director is also eligible for commission @ 1% of the net profit of the Company.

The Managing Director and Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. The appointment of Managing Director is for a period of 5 years whereas the appointment of Whole-time Directors is for normal period of retirement. No notice period has been specifically provided for the appointment of Managing/Whole-time Director(s).

Presently, the Company does not have a scheme for grant of stock options either to the Whole-time Directors or employees.

### B) Non-Executive Directors

The Non-Executive Directors are not paid any compensation except sitting fees for attending the Board and Audit Committee Meetings, which is within the limits prescribed under the Companies Act, 1956.

### DETAILS OF REMUNERATION TO DIRECTORS

The details of the remuneration (excluding contribution to gratuity fund and provision for leave encashment but including perquisite/allowances and contribution to the Provident Fund) and sitting fees paid to the Directors during the year ended March 31, 2009 are as under –

	Sitting Fees	Salary	Contribution to Provident Fund	Other perquisites & allowances	Total
Mr.S.K.Duggal	15,000/-	-	-	-	15,000/-
Mr.R.K.Bhandari	10,000/-	-	-	-	10,000/-
Mr.B.K.Malhotra	10,000/-	-	-	-	10,000/-
Mr.H.K.Agarwal	5,000/-	-	-	-	5,000/-
Mr.M.M.Puri	10,000/-	-	-	-	10,000/-
Mr.Y.R.Kapur	-	5,80,500/-	46,440/-	57,850/-	6,84,790/-
Mr.T.N.Tikoo	-	4,11,000/-	49,320/-	1,53,600/-	6,13,920/-
Mr.Amit Mahajan	-	9,90,000/-	79,200/-	-	10,69,200/-
Mr.Amit Mahajan	-	10,80,000/-	86,400/-	1,08,986/-	12,75,386/-
Mr.R.C.Mahajan	-	18,00,000/-	1,44,000/-	2,99,732/-	22,43,732/-

## SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Board of Directors reconstituted the Shareholders/Investors Grievance Committee on September 22, 2005. Presently, the Shareholders/Investors Grievance Committee consists of the following three Directors –

- 1) Mr.B.K.Malhotra - Chairman
- 2) Mr.T.N.Tikoo - Member
- 3) Mr.Y.R.Kapur - Member

Mr. B.K.Malhotra, Chairman of the Committee is a Non-Executive and Independent Director. The scope of Shareholders/Investors Grievance Committee includes the redressal of investors' complaints pertaining to transfer/transmission/dematrealisation/ rematerialisation of shares, dividends and other related issues.

During the year under review 25 (previous year 32) complaints were received, which were promptly attended by the Company and resolved to the satisfaction of the shareholders. Normally all complaints/queries are disposed off within one week of the receipt. The Company had no complaint was pending at the close of the year under review.

## SHARE TRANSFER AND DEMAT COMMITTEE

The Share Transfer & Demat Committee was reconstituted on January 29, 2009 by the Board of Directors. Presently, the Share Transfer & Demat Committee consists of the following three Directors –

- 1) Mr.M.M.Puri-Chairman
- 2) Mr.T.N.Tikoo-Member
- 3) Mr.Y.R.Kapur-Member

Mr. M.M.Puri, Chairman of the Committee is a Non-Executive and Independent Director whereas Mr. T.N. Tikoo and Mr. Y.R. Kapur are Executive Directors. The scope of Share Transfer and Demat Committee includes transfer/transmission/dematrealisation/rematerialisation of shares, replacement of lost/stolen/mutilated share certificates, splitting/consolidation of share certificates and other related issues.

To expedite the process of share transfers/transmission/dematrealisation/rematerialisation, the Registrar & Share Transfer Agents and the Compliance Officer have been delegated the powers for share transfer/dematrealisation/rematerialisation. They meet every fortnight to carry out the same.

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

## GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the last three years are as under –

YEAR	VENUE	DATE	TIME	WHETHER ANY SPECIAL RESOLUTION PASSED
2005-06	Village Kuranwala, Barwala Road, Derabassi-140507, Distt. Mohali (Punjab)	September 27, 2006	10.00am	YES
2006-07	-do-	September 24, 2007	10.00am	NO
2007-08	-do-	September 29, 2008	10.00am	NO

There was no other general meeting held in the last three years. During the year under review, no resolution was passed/is proposed to be passed through postal ballot as required by the Companies (Passing of the resolution by postal ballot) Rules, 2001 and Clause 49 of the Listing Agreement.

## DISCLOSURES

### i) Related Party Transactions

The details of the materially significant related party transactions have been annexed to the Balance Sheet given elsewhere in this report. None of such transaction(s) has potential conflict with the interest of the Company at large. The details of the material individual transaction with related parties are periodically placed before the Audit Committee/Board together with the Management's justification wherever required for the same.

There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large.

### ii) Compliances by the Company

The Company continued to comply with the requirements of the Listing Agreement, SEBI and other Statutory Authorities. During the last three years, there has not been any non-compliance, penalties and strictures imposed on the Company for any matter relating to the capital markets by any of the Stock Exchanges, SEBI or any other statutory authorities.

### iii) Whistle Blower Policy

The Company's portal provides a very effective means for the employees to communicate freely with the Managing Director. The Company's employees can also meet directly with the Managing Director and express their grievances/concerns. There are safeguards to ensure that all employees grievances/concerns receive due consideration.

The Code of Conduct for Board of Directors and Senior Management states that Directors and Senior Managers of the Company shall endeavor to promote ethical behavior and to provide an opportunity to employees to report violations of laws, rules, regulations or codes of conduct and policy directives adopted by the Company to the appropriate personnel without fear of retaliation of any kind for reports made by the employee in good faith. No employee has been denied access to the Audit Committee.

# S. R. Industries Limited

Annual Report 2008-09

## iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

All the mandatory requirements of Clause 49 of the Listing Agreement have been complied with as stated in this report on Corporate Governance. The non-mandatory requirements as stipulated in Annexure I-D of Clause 49 of the Listing Agreement on the Code of Corporate Governance have been adopted to the extent and in the manner as stated under the appropriate headings in the Report of Corporate Governance.

### CEO/CFO Certification –

A certification from the CEO and the CFO in terms of Clause 49(V) of the Listing Agreement was placed before the Board at its meeting held on June 30, 2009, to approve the Audited Annual Results for the year ended March 31, 2009.

## MEANS OF COMMUNICATION

### i) Quarterly Results

The quarterly, half yearly and annual results of the Company are published in accordance with the requirements of the Listing Agreement.

### ii) Newspaper in which results are normally published

Financial Express/Economics Times – All India Editions and Punjabi Tribune

### iii) Any website, where displayed

These results are also displayed on the Company's website www.srtowels.com and SEBI's website www.sebiedifnar.nic.in.

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

The relevant information is displayed in the Company's website. As the financial results of the Company are published in the newspaper and also displayed on the Company's website, a separate half yearly declaration of the financial performance of the Company is not sent to each household of shareholders.

## GENERAL SHAREHOLDERS' INFORMATION

### i) Annual General Meeting

DAY, DATE & TIME : Wednesday, September 30, 2009, at 10.00 a.m.

VENUE : Village Kuranwala, Barwala Road, Derabassi - 140 507 Distt. Mohali (Punjab)

### ii) Financial Calendar

Results for the Quarter/Year Ending  
- June 30, 2009 : End July 2009  
- September 30, 2009 : End October 2009  
- December 31, 2009 : End January 2010  
- March 31, 2010 : End June 2010.

### iii) Date of Book Closure

: Saturday, September 26, 2009 to Wednesday, September 30, 2009 (Both days inclusive)

### iv) Dividend Payment Date

No dividend has been recommended.

### v) Listing on Stock Exchange(s)

The equity shares of the Company are listed at the Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Company is regular and has paid upto date listing fee to BSE. The approval for delisting of Company's shares from The Calcutta Stock Exchange Association Ltd. is awaited.

### vi) Stock Code

Bombay Stock Exchange Ltd. (BSE) 513515

### vii) Market Price Data and Stock Performance

Monthly high and low price of equity shares of the Company at BSE and the Stock Performance in comparison to broad based indices BSE Sensex during the year ended March 31, 2009 is as under –

MONTH	SRIL SHARE PRICE (Rs.)			BSE SENSEX
	HIGH	LOW	CLOSING	
April 2008	6.45	5.01	6.01	17287.31
May 2008	6.50	5.13	6.14	16415.57
June 2008	6.04	5.00	5.18	13461.60
July 2008	5.40	4.05	4.70	14355.75
August 2008	5.28	4.20	4.82	14564.53
September 2008	4.99	2.80	3.32	12860.43
October 2008	4.15	3.00	3.51	9788.06
November 2008	3.87	3.00	3.02	9092.72
December 2008	4.26	2.71	3.20	9647.31
January 2009	4.16	3.01	3.13	9424.24
February 2009	3.36	2.80	3.06	8891.61
March 2009	3.86	2.91	3.70	9708.50

source : www.bseindia.com

## viii) Registrar & Share Transfer Agents (RTA)

M/s Link Intime India Pvt. Ltd.  
A-40, 2nd Floor, Naryana Industrial Area Phase – II, Near Batra Banquet,  
New Delhi – 110 028. Tel : 011-41410592-4, Fax : 011-41410591  
E-mail : delhi@linkintime.co.in

## Compliance Officer

Mr. Y. R. Kapur, Director (Finance)  
Tel : 01762-506161 Fax : 01762-280409 E-mail : kapur@srtowels.com

## ix) Share Transfer System

The transfer of shares in physical form is done by the RTA - M/s Link Intime India Pvt. Ltd. and returned within a period of 15 days from the date of receipt of document complete in all respect. The particulars of movement of shares in dematerialised form are also placed before the Share Transfer & Demat Committee.

## x) Distribution of Shareholding (as on March 31, 2009)

No. of Equity Shares Held	No. of Folios	% age	No. of Shares	% age
Upto 2500	7228	66.12	961926	7.65
2501 – 5000	2253	20.61	970518	7.72
5001 – 10000	795	7.27	705069	5.61
10001 – 20000	313	2.86	505294	4.02
20001 – 30000	94	0.86	244355	1.94
30001 – 40000	40	0.37	147366	1.17
40001 – 50000	64	0.58	309093	2.46
50001 – 100000	59	0.54	449373	3.57
100001 & Above	86	0.79	8281006	65.86
<b>TOTAL</b>	<b>10932</b>	<b>100.00</b>	<b>125740000</b>	<b>100.00</b>

## Shareholding Pattern (as on March 31, 2009) –

Category	No. of Share	% age
<b>A Promoters' Holding</b>		
<b>1 Promoters</b>		
- Indian Promoters	4294100	34.15
- Foreign Promoters	Nil	Nil
<b>2 Persons acting in concert</b>	Nil	Nil
Sub-Total	4294100	34.15
<b>B Non-Promoters Holding</b>		
<b>3 Institutional Investors</b>		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies	Nil	Nil
c. FIs	Nil	Nil
Sub-Total	Nil	Nil
<b>4 Others</b>		
a. Private Corporate Bodies	2304312	18.33
b. Indian Public	5901966	46.94
c. NRIs/OCBs	73622	0.58
Any other (please specify)	Nil	Nil
Sub-Total	8279900	65.85
<b>Grand Total</b>	<b>12574000</b>	<b>100.00</b>

The sum of foreign promoters, FIs, NRIs/OCBs, foreign banks, foreign national and GDR and ADR holding in the Company is 73622 equity shares.

## Xi) Dematerialisation of share and liquidity

The ISIN No. of the Company is INE329C01011. Upto March 31, 2009, 9659590 (76.82%) equity shares were dematerialised in the two Depositories – NSDL and CDSL.

## Secretarial Audit Report –

The Secretarial Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 reconciling the shares dematerialised in both the Depositories - NSDL & CDSL and physical form with the total issued/paid-up capital of the Company for every quarter is placed before the Board of Directors and also submitted to BSE and two depositories - NSDL & CDSL.

**Xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments**  
The company has no Outstanding GDR/ADRs/Warrants or any Convertible Instruments as on March 31, 2009.

## xiii) Plant Location

Terry Towel Plant at : Village Kuranwala, Barwala Road, Derabassi –140507, Distt. Mohali (Punjab).  
Footwear Plant at : (a) Village Singhan, Teh Haroli, Distt Una (H.P.)  
(b) 703, Pace City-II, Sector 37, Gurgaon (Hry.)

## xiv) Address for Correspondence

S.R. Industries Ltd.  
Village Kuranwala, Barwala Road, Derabassi – 140 507,  
Distt. Mohali (Punjab)

For and on behalf of the Board

Place: Derabassi  
Date : September 05, 2009

**S.K.DUGGAL**  
Chairman



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Overview**

#### **i) Industry Structure and Developments**

##### **TERRY TOWEL**

Terry towels form an integral part of the home-textile segment. The demand for terry towels varies across countries, depending upon various factors like population, demographics, living style, economic status and its climatic conditions. The annual world demand for cotton terry towels is estimated at three million MT and growing @ 5 % p.a.

Historically, there was significant production of terry towels in developed countries like U.S.A, Australia, Japan and Europe, etc. However, during the last few years, the production of terry towels in the developed countries is steadily declining. These countries are increasingly outsourcing their requirement of home textiles (especially terry towels) from the developing countries. This is predominantly on account of lower input as well as labour cost. USA is the largest growth driver in the past years, but Europe, Japan, Australia, New Zealand, Latin America, Canada and South Africa are now emerging as other major markets for Indian companies.

Indian terry towel producers are performing exceedingly well and SRIL is no exception. In addition to the advantage of cheaper labour, India also has an edge over its competitors on account of having adequate availability of the principle raw material-yarn. Furthermore, the investment of Indian companies on product development and quality are also paying off. The future demand for terry towels from India is likely to grow further, both for domestic and world markets.

##### **FOOTWEAR**

There are two kinds of sports shoes-cold cemented and injection moulded. The global business of sports shoes is dominated by the cold cemented variety. The sports shoes being retailed by Nike, Reebok, Adidas etc. is essentially of cold cemented kind. Till late 1980's, this industry was dominated by South Korea and to a lesser extent Taiwan. Busan, a port town on the southern tip of Korea was the manufacturing hub. There were companies in Korea with manufacturing capacity in excess of 60 million pairs. The large manufacturers had sales turnover varying between US\$ 150 and US\$ 600 million. The exodus of this industry from Korea started in early 90's and the major beneficiaries of this flight of capital have been China, Indonesia, Vietnam and Thailand. China is the leading destination for sourcing of sports shoes. It is this semi-monopolistic position of China as the leading manufacturer of sports shoes which has compelled leading international sports shoes companies like Nike, Reebok, Adidas, Converse etc. to develop an alternative to China. India, with its large reservoir of skilled labour can emerge as an alternative to China. Currently, a large quantity of the sports shoes sold in India are being sourced in CKD Kits from countries like China, Vietnam and Indonesia, and there is a huge opportunity for creating an integrated manufacturing facility which can serve the domestic requirements of these international brands.

#### **ii) Opportunities and threats**

##### **TERRY TOWEL**

The Indian terry towel industry has been able to establish its position in the global market as a reliable supplier of high quality towels. As a result, it is increasingly being viewed as an alternative source for replacing the local production in the developed world. Most major retailers in the world, including Wal-Mart, K-Mart, J C Penney, Carrefour, Ikea etc. are sourcing a large part of their terry towel requirements from India. The terry towels industry in India presently has around 1500 looms installed capable of manufacturing 100000 MT per annum. There is still a large gap between the demand and supply which offers big scope for further growth in the coming years. Their multiplier effect on demand can be seen from January 2005 onwards after the abolition of quantitative restrictions (quota). This will allow Indian manufacturers to further increase their share in the global textile trade from current levels. In the post quota regime, developed countries are looking for major outsourcing from India for home textile items. The industry will grow further as most of the units have upgraded/expanded their production facilities and take the benefit of 5% interest subsidy under the Textile Up-gradation Fund Scheme (TUFS) from Government of India.

The domestic market for terry towels, which was till now dominated by low price, low quality products from the unorganized sector, has also been picking up with the emergence of growing segment of consumers looking for high quality products. The per capita consumption of Home Textile products in India is very low compared to the developed countries; this is also expected to improve with the strong economic growth being witnessed in India.

We firmly believe in providing best quality products to its customers at the most affordable "value for money" proposition. The terry towels manufactured by the company are well accepted by the customers worldwide and are known for its quality, competitive pricing and on-time delivery. SRIL has been able to generate good response for its product by maintaining good quality and timely supplies. SRIL has customers in Europe, U.S.A., Australia, New Zealand and Middle East and is receiving repeat orders from its buyers.

Overall it is noted that textile industry, including terry towels, in India is passing through boom period. The favourable Government policies are expected to further accelerate the growth in the post quota period. This has spurred fresh investment for modernization and expansion of existing facilities by all the terry towel manufacturers.

##### **FOOTWEAR**

The footwear sector is a very significant segment of the Leather Industry in India. Footwear is the engine of growth for the entire Indian leather industry and India is the second largest global producer of footwear after China, accounting for 14% of global footwear production of 14.52 billion Pairs. India Produces 2065 million pairs of Different Categories of Footwear (Leather Footwear 909 million pairs, Leather Shoe uppers 100 million pairs and Non-leather footwear 1056 million pairs) India exports about 115 million pairs. Thus, nearly 95% of its production goes to meet its own domestic demand. The major production centers in India are Chennai, Ranipet, Ambur in Tamil Nadu, Mumbai in Maharashtra, Kanpur in U.P., Jalandhar in Punjab, Agra, Delhi,

Karnal, Ludhiana, Sonapat, Faridabad, Pune, Kolkata, Calicut and Emakulam. Footwear exported from India are Dress Shoes, Casuals, Moccasins, Sport Shoes, Horrachies, Sandals, Ballerinas, Boots, Sandals and Chappals made of rubber, plastic, P.V.C. and other materials.

The Company wants to diversify into manufacturing of sports shoes at Una, Himachal Pradesh where the unit will get Central Govt. incentives like excise duty concession, tax holiday for five years etc. Initially the Unit will go for Contract manufacturing for reputed MNC sports brand like Nike, Adidas, Reebok etc. At present the domestic requirement of these brands are being sourced in CKD (Completely Knocked Down) kits from countries like China, Vietnam and Indonesia. Therefore the Company feels that there is good opportunity for creating an integrated manufacturing facility which can serve the domestic requirements of these international brands to a large extent.

#### **iii) Segment-wise or product-wise performance**

Presently, the Company has only one segment of activity namely - Terry Towels, in accordance with the definition of "Segment" as per the Accounting Standard 17 issued by "The Institute of Chartered Accountants of India". The performance of the Company is discussed separately in this report.

#### **iv) Outlook**

The outlook for the Company remains positive. The Company has decided to replace six looms to increase the weaving capacity. The present order book position of the Company is excellent and we are booked for next three months production.

#### **v) Risks and concerns**

Macro-economic factors like subdued demand, political uncertainty, vagaries of monsoon and other natural calamities may affect the Company and industry at large.

No business is risk free. Proactive recognition of the risks, assessing their influence and initiating action to mitigate their impact becomes critical.

The Company has classified broad risk areas for its business - statutory compliances, economy, financial, government policies, market, operational, product related and technology.

With increasing competitive pressure, the challenge is to increase sales and the customer base, to successfully address changing customer preferences and to produce the right product at right time and at a competitive price. Technology is a critical area to be focused upon.

The challenges arising out of forex fluctuations could be cause of concern especially when the Company exports its major production in global market.

The Company has not been significantly impacted by these factors due to its proper monitoring mechanism and proactive actions against anticipated hindrances.

#### **vi) Internal control systems and their adequacy**

The Company has established control system to ensure that -

- assets are adequately protected,
- transactions are authorised, recorded and reported correctly, and
- operations are conducted in an efficient and cost effective manner complying with the applicable laws.

A qualified independent Audit Committee of the Board of Directors also reviews the internal audit and adequacy of internal controls.

#### **vii) Discussion on financial performance with respect to operational performance**

The gross turnover for the year declined from Rs. 3321.57 lacs in 2007-08 to Rs. 3246.69 lacs in 2008-09. The Company during the year sold 1232 MT terry towel as against 1401 MT during the last year. The production during the year was 1186 MT as against 1462 MT during the last year. The production and sales during the current year had been affected due to reduced outsourcing of grey material.

The Miscellaneous Income which includes duty drawback of Rs. 254.31 lacs on account of duty drawback decreased from Rs. 301.80 lacs to Rs. 274.20 lacs. Further rigorous monitoring of operating overheads assured that these remained under control.

Profit before depreciation, interest and taxation (PBDIT) decreased from Rs. 553.53 lacs to Rs. 434.25 lacs. The depreciation for the year was at Rs. 226.64 lacs as against Rs. 338.16 lacs last year. The financial expenses decreased from Rs. 168.97 lacs to Rs. 161.22 lacs due to better utilization of working capital limits and increased interest subsidy / subvention.

The Profit before tax (PBT) decreased to Rs. 46.39 lacs from Rs. 46.40 lacs.

The Earning Per Share (EPS) increased from Re.0.08 to Re. 0.51. The diluted EPS of Rs. 0.08 was arrived at by considering the weighted average no. of shares that may be issued on conversion of Convertible Warrants on account of requirements of the Accounting Standards.

The Company has posted a Net Profit after Tax of Rs. 63.57 lacs as against Rs. 9.91 lacs during 2007-08.

#### **viii) Material developments in human resources/industrial relations front, including number of people employed**

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

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

**AUDITORS' REPORT**

The Members

S.R. Industries Limited, Derabassi.

Dear Members,

1. We have audited the attached Balance Sheet of M/s S.R. Industries Limited as at March 31, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
  - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
  - (iv) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) on the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KANSAL SINGLA & ASSOCIATES  
Chartered Accountants  
**S.K.KANSAL**

Partner

Membership No. 080632

Place : Chandigarh

Date : June 30, 2009

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF  
S.R.INDUSTRIES LIMITED ON THE ANNUAL ACCOUNTS FOR  
THE YEAR ENDED MARCH 31, 2009**

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the assets have not been physically verified by the Management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verifications.
- (c) According to information and explanations given to us, during the year, the Company has not disposed off major part of the plant and machinery affecting the going concern status of the Company. Therefore, Clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the "said Order") is not applicable to the company.
- (ii) (a) According to information and explanations given to us, the inventory have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) (a) According to information and explanations given to us, the Company has not granted any loan to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) According to the information and explanations given to us, the Company has taken unsecured loans from three directors and one company covered in the register maintained under Section 301 of the Companies Act, 1956 and an amount of Rs. 356.00 lacs is outstanding as on March 31, 2009. The maximum amount outstanding during the year was Rs. 356.00 lacs. In our opinion, the terms and conditions on which these loans have been taken are not prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us, we are of the opinion that the particulars of transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted the Deposits covered as per the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of cost records has been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 which are maintained by the Company. However, we have not made detailed scrutiny of these records.
- (ix) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it with appropriate authorities.

Further, since the Central Government has not yet prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the disputed demands of excise duty against the Company amounting to Rs. 981.70 lacs (previous year Rs. 981.70 lacs) has not been deposited as appeals are pending with CESTAT for final adjudication.
- (x) The Company does not have any accumulated losses at the end of the financial year. Also, the company has not incurred any cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions and banks. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi or mutual benefit fund/ society. Therefore, Clause 4(xiii) of the said Order is not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, Clause 4(xiv) of the said Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used to finance long-term investments. No long-term funds have been used to finance short-term investments except permanent working capital requirements.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to Parties and Companies in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xx) According to the information and explanation given to us, during the year covered by our audit report, the Company has not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For KANSAL SINGLA & ASSOCIATES  
Chartered Accountants

**S.K.KANSAL**  
Partner

Place : Chandigarh  
Date : June 30, 2009

Membership No. 080632

# S. R. Industries Limited

Annual Report 2008-09

## BALANCE SHEET AS AT MARCH 31, 2009

SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUND</b>		
SHARE CAPITAL	A      125,462,000	125,462,000
RESERVES & SURPLUS	B <u>40,168,246</u>	<u>33,810,840</u> 159,272,840
<b>LOANS FUND</b>		
SECURED LOANS	C      152,712,830	159,227,659
UNSECURED LOANS	D <u>35,600,000</u>	<u>14,765,000</u> 173,992,659
DEFERRED TAX LIABILITY	<u>23,781,000</u>	<u>22,536,000</u>
<b>TOTAL</b>	<b><u>377,724,076</u></b>	<b><u>355,801,499</u></b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	E      490,110,192	473,198,723
Less : Depreciation	<u>285,787,839</u>	<u>263,123,554</u>
Net Block	204,322,353	210,075,169
Capital Work in Progress	591,561	591,561
Capital Work in Progress- Footwear Division (including Advances for Capital Expenditure)	<u>27,337,009</u>	-      210,666,730
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventories	F      130,648,524	134,316,089
Sundry Debtors	29,307,140	41,305,291
Cash & Bank Balances	4,331,894	4,918,915
Loans & Advances	<u>26,924,893</u>	<u>25,126,429</u>
	191,212,451	205,666,724
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>	G	
Current Liabilities	42,334,272	57,159,235
Provisions	<u>3,405,026</u>	<u>3,372,720</u>
<b>NET CURRENT ASSETS</b>	<b>145,473,153</b>	<b>145,134,769</b>
<b>TOTAL</b>	<b><u>377,724,076</u></b>	<b><u>355,801,499</u></b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>		
O		

For & on behalf of the Board

VIKAS GOYAL  
Company Secretary

Y.R. KAPUR  
Director-Finance

AMIT MAHAJAN  
Director-Commercial

R.C. MAHAJAN  
Managing Director

As per our report attached to the Balance Sheet  
For KANSAL SINGLA & ASSOCIATES  
Chartered Accountants

Place : Chandigarh.  
Date : June 30, 2009

**S.K. KANSAL**  
Partner  
Membership No. 080632

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

	SCHEDULE	2008-09 (Rs.)	2007-08 (Rs.)
<b>INCOME</b>			
SALES	H	324,668,956	332,157,139
OTHER INCOMES	I	27,419,860	30,179,949
INCREASE/(DECREASE) IN STOCKS		(2,041,784)	18,405,302
	<b>TOTAL</b>	<b><u>350,047,032</u></b>	<b><u>380,742,390</u></b>
<b>EXPENDITURE</b>			
CONSUMPTION OF RAW MATERIALS		155,103,618	175,589,706
MANUFACTURING EXPENSES	J	109,349,772	100,953,455
SALARIES, WAGES & BENEFITS	K	19,643,800	22,357,180
FINANCIAL EXPENSES	L	16,122,377	16,896,652
SELLING EXPENSES	M	15,281,765	17,249,791
ADMINISTRATIVE AND OTHER EXPENSES	N	7,242,632	9,239,604
DEPRECIATION	E	22,664,285	33,815,936
	<b>TOTAL</b>	<b><u>345,408,249</u></b>	<b><u>376,102,324</u></b>
PROFIT BEFORE TAXES		4,638,783	4,640,066
PROVISION FOR TAXATION			
- CURRENT TAX		(480,000)	(500,000)
- DEFERRED TAX		(1,245,000)	(3,312,000)
- FRINGE BENEFIT TAX		(325,000)	(400,000)
PROVISION FOR TAXES NOT REQUIRED		79,301	671,282
MAT PAID DURING EARLIER YEARS		4,210,679	-
EXPENSES RELATING TO PREVIOUS YEARS		(521,357)	(108,241)
PROFIT AFTER TAX		<u>6,357,406</u>	<u>991,107</u>
PROFIT BROUGHT FORWARD FROM LAST YEAR		17,291,940	16,300,833
PROFIT CARRIED TO BALANCE SHEET		<u>23,649,346</u>	<u>17,291,940</u>
EARNING PER SHARE (FACE VALUE Rs. 10)			
- BASIC		0.51	0.08
- DILUTED		0.51	0.08
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	O		

For & on behalf of the Board

VIKAS GOYAL Company Secretary	Y.R. KAPUR Director-Finance	AMIT MAHAJAN Director-Commercial	R.C. MAHAJAN Managing Director
----------------------------------	--------------------------------	-------------------------------------	-----------------------------------

As per our report attached to the Balance Sheet  
For KANSAL SINGLA & ASSOCIATES  
Chartered Accountants

Place : Chandigarh.  
Date : JUNE 30, 2009

**S.K. KANSAL**  
Partner  
Membership No. 080632

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

Annual Report 2008-09

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

	YEAR ENDED 31.03.2009 (Rs./Lacs)	YEAR ENDED 31.03.2008 (Rs./Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	46.39	46.40
Adjustments for		
Depreciation	226.64	338.16
Provision for leave encashment	1.27	(0.78)
Profit/Loss on sale of fixed assets	(5.65)	2.52
Financial expenses	161.22	168.97
Operating profit before working capital changes	429.87	555.27
Adjustments for :		
Trade and other receivables	145.37	(87.42)
Inventories	36.68	(196.08)
Trade payables & other liabilities	(148.25)	51.70
<b>Cash flow from Operating Activities</b>	<b>463.67</b>	<b>323.47</b>
Direct taxes paid	(9.48)	(9.19)
Expenses relating to previous years	(5.21)	(1.08)
<b>Net Cash Flow from Operating Activities</b>	<b>448.98</b>	<b>313.20</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(453.17)	(42.67)
Sale of fixed assets	16.34	2.15
<b>Net Cash Used in Investing Activities</b>	<b>(436.83)</b>	<b>(40.52)</b>
<b>C. CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Increase in unsecured loans	208.35	90.00
Decrease in bank borrowings	(24.96)	(3.03)
Proceed/(Repayment) of long term loans (net)	(39.29)	(147.45)
Financial expenses paid	(162.12)	(170.31)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(18.02)</b>	<b>(230.79)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(5.87)</b>	<b>41.89</b>
<b>Cash and Cash equivalents as at 1st April (Opening Balance)</b>	<b>49.19</b>	<b>7.30</b>
<b>Cash and Cash equivalents as at 31st March (Closing Balance)</b>	<b>43.32</b>	<b>49.19</b>

For & on behalf of the Board

**VIKAS GOYAL**  
Company Secretary

**Y.R. KAPUR**  
Director-Finance

**AMIT MAHAJAN**  
Director-Commercial

**R.C. MAHAJAN**  
Managing Director

As per our report attached to the Balance Sheet  
For KANSAL SINGLA & ASSOCIATES  
Chartered Accountants

Place : Chandigarh.  
Date : June 30, 2009

**S.K. KANSAL**  
Partner  
Membership No. 080632

**S. R. Industries  
Limited**  
Annual Report 2008-09

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009**

	AS AT 31.03.2009 <u>(Rs.)</u>	AS AT 31.03.2008 <u>(Rs.)</u>
<b>SCHEDULE A : SHARE CAPITAL</b>		
<b>Authorised</b>		
16,500,000 Equity Shares of Rs.10/- each	165,000,000	165,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
12,574,000 Equity Shares of Rs.10/- each	125,740,000	125,740,000
Less: Allotment Money Unpaid Out of above 1,734,000 were issued on Preferential Allotment basis	<u>278,000</u>	<u>278,000</u>
<b>TOTAL</b>	<u><u>125,462,000</u></u>	<u><u>125,462,000</u></u>
<b>SCHEDULE B : RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last balance sheet	1,713,900	1,713,900
<b>State Investment Subsidy</b>		
As per last Balance Sheet	3,000,000	3,000,000
<b>Share Premium</b>		
As per last Balance Sheet	11,805,000	10,806,600
Add : Addition during the year	<u>-</u>	<u>998,400</u>
<b>Profit &amp; Loss Account</b>	<u>23,649,346</u>	<u>17,291,940</u>
<b>TOTAL</b>	<u><u>40,168,246</u></u>	<u><u>33,810,840</u></u>
<b>SCHEDULE C : SECURED LOANS</b>		
<b>TERM LIABILITIES</b>		
State Bank of Patiala		
- Term Loan	62,720,748	70,060,674
<b>VEHICLE LOANS</b>	6,568,218	3,246,920
<b>WORKING CAPITAL FACILITIES</b>		
State Bank of Patiala		
- Export Packing Credit	70,578,585	69,682,091
- Foreign Bills Purchased/Discounted	3,684,818	5,858,641
- Cash Credit	<u>9,160,461</u>	<u>10,379,333</u>
<b>TOTAL</b>	<u><u>152,712,830</u></u>	<u><u>159,227,659</u></u>
Term Loan and Working Capital facilities from the State Bank of Patiala are secured by way of first charge on all the fixed and current assets of the Company. These are further secured by the personal guarantees of two directors.		
<b>SCHEDULE D : UNSECURED LOANS</b>		
Inter-corporate Loans	15,100,000	13,515,000
From Directors	<u>20,500,000</u>	<u>1,250,000</u>
<b>TOTAL</b>	<u><u>35,600,000</u></u>	<u><u>14,765,000</u></u>

**S. R. Industries  
Limited**  
Annual Report 2008-09

**SCHEDULE E: FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			D E P R E C I A T I O				N E T B L O C K		
	AS AT	ADDITIONS	SOLD	AS AT	UPTO	FOR THE	ADJUSTMENTS	UPTO	AS AT	AS AT
	31.03.2008	(Rs.)	(Rs.)	31.03.2009	31.03.2008	YEAR	(Rs.)	31.03.2009	31.03.2009	31.03.2008
Freehold Land	6,823,151	-	1,068,510	5,754,641	-	-	-	-	5,754,641	6,823,151
Building	49,786,262	1,015,593	-	50,801,855	15,081,466	1,679,768	-	16,761,234	34,040,621	34,704,796
Plant & Machinery	384,798,038	16,491,292	-	401,289,330	230,874,576	18,420,117	-	249,294,693	151,994,637	153,923,462
Electrical Installations	9,323,060	-	-	9,323,060	5,677,613	590,150	-	6,267,763	3,055,297	3,645,447
D G Sets	3,463,645	-	-	3,463,645	1,850,144	209,706	-	2,059,850	1,403,795	1,613,501
Laboratory Equipments	316,928	-	-	316,928	257,479	20,061	-	277,540	39,388	59,449
Furniture, Fixture &										
Office Equipments	10,200,518	473,094	-	10,673,612	6,603,162	938,207	-	7,541,369	3,132,243	3,597,356
Vehicles	8,487,121	-	-	8,487,121	2,779,114	806,276	-	3,585,390	4,901,731	5,708,007
<b>TOTAL</b>	<b>473,198,723</b>	<b>17,979,979</b>	<b>1,068,510</b>	<b>490,110,192</b>	<b>263,123,554</b>	<b>22,664,285</b>		<b>285,787,839</b>	<b>204,322,353</b>	<b>210,075,169</b>
Previous Year (Rs.)	470,044,848	4,318,674	1,164,799	473,198,723	230,004,978	33,815,936	697,360	263,123,554		

Advances for Capital Expenditure

Capital work in progress including advances for capital expenditure of footwear unit

591,561 591,561

27,337,009

**TOTAL**

**232,250,923 210,666,730**

**SCHEDULE F: CURRENT ASSETS, LOANS AND ADVANCES**

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>Inventories</b>		
Yarn	6,743,382	6,710,807
Finished Stocks	15,731,221	21,982,070
Stock In Process	87,967,379	83,758,314
Consumable Stores	8,792,631	9,340,812
Packing Materials	3,720,764	4,088,370
Stores & Spares	7,120,975	7,517,640
Fuel	572,172	918,076
	<b>130,648,524</b>	<b>134,316,089</b>
<b>Sundry Debtors (Unsecured - Considered Good)</b>		
Outstanding for period over six months	4,285,729	3,525,211
Others	25,021,411	37,780,080
	<b>29,307,140</b>	<b>41,305,291</b>
<b>Cash and Bank Balances</b>		
Cash in hand	1,513,851	2,157,569
DD's in hand	1,950,000	-
With Scheduled Banks		
- in current accounts	754,698	1,609,443
- in deposit accounts	113,345	1,151,903
	<b>4,331,894</b>	<b>4,918,915</b>
<b>Loans and Advances</b>		
<b>Unsecured : Considered Good</b>		
(Advances recoverable in cash or in kind or for value to be received)	4,168,771	4,921,407
Duty Drawback /DEPB Licence Receivable	3,439,707	6,385,188
Interest Subsidy Receivable	2,456,814	4,817,231
CST/VAT Refund Receivable	9,324,401	5,805,887
Advance Taxes (including Advance FBT)	6,490,399	2,151,915
Security Deposits	1,044,801	1,044,801
	<b>26,924,893</b>	<b>25,126,429</b>
<b>TOTAL</b>	<b>191,212,451</b>	<b>205,666,724</b>

**S. R. Industries  
L i m i t e d**  
Annual Report 2008-09

**SCHEDULE G: CURRENT LIABILITIES AND PROVISIONS**

	AS AT 31.03.2009 (Rs.)		AS AT 31.03.2008 (Rs.)
<b>Current Liabilities</b>			
Sundry Creditors			
- Small Scale Industrial Undertaking	4,846,448		6,402,980
- Other than Small Scale Industrial Undertaking	<u>27,913,470</u>	32,759,918	<u>42,155,014</u>
Creditors for Capital Goods		-	533,932
Advances from Customers		3,679,300	468,103
Creditors for Expenses		5,895,054	7,599,206
<b>TOTAL</b>		<u><u>42,334,272</u></u>	<u><u>57,159,235</u></u>
<b>Provisions</b>			
- For Taxation (including Current Taxes and FBT)		805,000	900,000
- For Staff Benefits		2,600,026	2,472,720
<b>TOTAL</b>		<u><u>3,405,026</u></u>	<u><u>3,372,720</u></u>

	2008-09 (Rs.)		2007-08 (Rs.)
<b>SCHEDULE H : SALES</b>			
Sale - Export		294,523,090	302,648,272
Sale - Local		<u>30,145,866</u>	29,508,867
<b>TOTAL</b>		<u><u>324,668,956</u></u>	<u><u>332,157,139</u></u>

**SCHEDULE I : OTHER INCOME**

Export Incentive	25,430,810		28,441,672
Interest on FDR	141,258		87,600
Job Charges	1,159,758		104,470
Profit on sale of assets	565,490		-
Miscellaneous Income	122,544		1,546,207
<b>TOTAL</b>		<u><u>27,419,860</u></u>	<u><u>30,179,949</u></u>

**SCHEDULE J : MANUFACTURING EXPENSES**

Consumption of Stores	39,661,821		38,554,515
Packing Materials	14,070,373		12,560,825
Power	11,139,875		12,268,571
Fuel	24,197,701		17,991,494
Labour Charges	14,215,729		13,164,537
Repair & Maintenance - Plant & Machinery	5,975,368		6,387,675
- Building	88,905		25,838
<b>TOTAL</b>		<u><u>109,349,772</u></u>	<u><u>100,953,455</u></u>

**SCHEDULE K : SALARIES, WAGES & BENEFITS**

Remuneration & Perks to Directors	5,481,668		5,358,758
Salary, Allowances & Perks to Employees	12,255,079		14,620,207
Staff Welfare	288,966		612,540
Contribution Towards Funds	1,618,087		1,765,675
<b>TOTAL</b>		<u><u>19,643,800</u></u>	<u><u>22,357,180</u></u>

**S. R. Industries  
Limited**  
Annual Report 2008-09

	<u>2008-09</u> (Rs.)	<u>2007-08</u> (Rs.)
<b>SCHEDULE L: FINANCIAL EXPENSES</b>		
Interest on long term loans	5,812,405	6,488,523
Interest on short term loans	7,837,851	8,213,178
Bank Charges	2,472,121	2,194,951
<b>TOTAL</b>	<b><u>16,122,377</u></b>	<b><u>16,896,652</u></b>
 <b>SCHEDULE M: SELLING EXPENSES</b>		
Freight Outward	13,180,350	15,654,527
Commission & Discount	1,435,106	1,340,879
Business Promotion Expenses	666,309	254,385
<b>TOTAL</b>	<b><u>15,281,765</u></b>	<b><u>17,249,791</u></b>
 <b>SCHEDULE N: ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent, Rates & Taxes	476,238	440,510
Fees & Subscription	234,327	262,136
Legal & Professional Charges	281,125	342,275
Travelling Expenses		
- Directors	1,173,816	1,042,416
- Others	37,680	409,512
Vehicles Running & Maintenance	1,419,515	1,851,127
Postage, Telegram & Telephones	1,020,335	1,287,370
Security Charges	513,488	491,438
Advertisement Expenses	191,500	127,054
Directors' Sitting Fees	50,000	60,000
Printing & Stationery	360,974	341,686
Insurance	775,352	803,540
Auditors' Remuneration	93,755	95,506
Office Repair & Maintenance	164,528	116,472
Exchange Rate Variation	-	456,412
Factory Maintenance	320,965	538,171
Miscellaneous Expenses	129,034	321,540
Loss of Sale of Assets	-	252,439
<b>TOTAL</b>	<b><u>7,242,632</u></b>	<b><u>9,239,604</u></b>

**SCHEDULE O : SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. Accounting policies not specifically referred to are consistent with generally accepted accounting policies.
- b) The company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

**2) FIXED ASSETS**

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

**3) INVENTORIES**

Inventories are valued on FIFO method

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

**4) EXPENDITURE ON EXPANSIONS**

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

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

**5) DEPRECIATION**

Depreciation is provided on Straight Line Method on pro-rata basis on all the fixed assets at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**6) FOREIGN CURRENCY TRANSACTIONS**

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

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

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

**7) BORROWING COST**

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

**8) TAXES ON INCOME**

Tax expenses comprises of current, deferred and fringe benefit tax. Provision for current income tax and fringe benefit tax is made for the amount of tax payable in respect of taxable income for the year under the Income Tax Act, 1961.

Deferred tax is recognised subject to the consideration of prudence, on timing difference, being the difference between book profit and tax profit that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax loss that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient further taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against further taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that further taxable income will be available against which such deferred tax assets can be realized.

**9) RETIREMENT BENEFITS**

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

**10) USE OF ESTIMATES**

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

**11) EARNING PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting taxes by the weighted average number of equity shares outstanding during the year. Equity shares that are partly paid up are treated as a fraction of an equity share to the extent they entitled to participate in dividends. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus issue, bonus element in a right issue to the existing shareholders, share split and consolidation of shares. For the purpose of calculating diluted EPS, the net profit or loss attributable to equity share holders and weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**12) INTANGIBLE ASSETS**

- An intangible asset is recognized if and only if -
- a) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise, and
  - b) the cost of the asset can be measured reliably

An intangible asset is measured initially at cost. The amortization method will be used to reflect the pattern in which the assets economic benefits are consumed by the enterprise. If that pattern cannot be determined reliably, the straight line method will be used.

**13) IMPAIRMENT OF ASSETS**

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

**14) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**S. R. Industries  
Limited**  
Annual Report 2008-09

**II. NOTES ON ACCOUNTS**

- 1) Contingent liabilities :-
- a) Export/Domestic Bills drawn on customers against letters of credit and discounted with bank are Rs. 49.47 lacs (Previous year Rs. 50.88 lacs).
- b) Central Excise Authorities have gone in appeal against the order of Commissioner (Appeals) which was decided in favour of the Company for the demand of Rs. 258.70 lacs (Previous year Rs. 258.70 lacs). The Company has refuted the liability based on the advice received from the legal experts and accordingly has not made any provision in the Books of Account. The requisite provision, if any, will be made in the year in which any demand is finally established.
- c) The Central Excise Authorities, Mumbai have imposed a 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. The Company has disputed the said demand and filed an appeal to set aside the said orders. The requisite provision, if any, will be made in the year in which any demand is finally established.
- d) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. 403 lacs net of advances (Previous year Nil)
- 2) Purchase Tax/Sales Tax liability has been provided based on the returns filed with the Sales Tax Authorities. The Sales Tax assessments have been completed upto the financial year 2004-05 and no demand is pending in respect thereto.
- 3) Income Tax assessments have been completed upto the Assessment Year 2006-07 and no demand is pending in respect thereto.
- 4) In the opinion of the Management, the current assets, loans and advances have a value which on realisation in the ordinary course of business would be at least equal to that at which these have been stated in the books of account.
- 5) The turnover includes Rs. 4.54 lacs (Previous year Nil) on account of realisation/entitlement of DEPB Licence.
- 6) There is no claim from suppliers under Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993. Sundry creditors include Rs. 40.69 lacs (Previous year Rs. 47.70 lacs) due to small scale industrial undertakings to whom the Company owes sum exceeding Rs. one lac and which are outstanding for more than 30 days. These units are Didesu Chemicals (P) Ltd., Dipsi Chemicals (P) Ltd., Creative Arts, Jai Balaji Labels (P) Ltd., M.K. Enterprises, E-Fuel, Maps India Ltd., RSA Industries (P) Ltd., Vaibhav International and Vee Emm Industries. The above information has been furnished on the basis of information regarding the status of supplier available with the Company.
- 7) The Company has opted for the exemption under Notification No. 30/2004 dated July 9, 2004 issued by the Central Board of Excise & Customs and therefore no excise duty is payable on the goods manufactured/despached by it.
- 8) Capital Reserve has raised from the Capital profit on forfeiture of 10% upfront payment on 591000 Convertible Warrants at a price of Rs. 29/- each issued during 2005-06.
- 9) Managerial remuneration including all benefits but excluding provision for leave encashment and gratuity.

	(Rs./lacs)	
	2008-09	2007-08
Salary	48.62	48.62
Provident Fund Contribution	4.05	4.05
Perks	6.20	4.97
	<u>58.87</u>	<u>50.35</u>

The above does not include contribution to LIC Group Gratuity Fund and provision for Leave Encashment as such contribution/provision is made on a global basis and the employee-wise breakup is not available.

10) Installed Capacity & Production (As certified by the management)

	2008-09		2007-08	
	QTY (M.T)	VALUE (Rs./Lacs)	QTY (M.T)	VALUE (Rs./Lacs)
Licenced Capacity (Terry Towels)	NA		NA	
Installed Capacity (MT)	2134		2134	
Opening Stocks	110	219.68	49	109.73
Production (Terry Towels)	1186		1462	
Sales				
- Terry Towels	1232	3,219.95	1401	3,309.44
- Dyed Yam		12.26		1.28
- DEPB Licence		4.54		-
- Scrap		9.94		10.85
Closing Stocks	64	157.19	110	219.68
11) Consumption of raw material (*)				
- Yam	1220	1235.90	1283	1147.76
- Unfinished Towels	234	315.14	423	608.14

\* No imported raw material is used.

	(Rs./Lacs)	
	2008-09	2007-08
12) CIF value of Imports		
- Capital Goods	67.24	-
- Stores & Spares	20.10	4.30
13) Expenditure in Foreign Currency		
- Travelling	10.38	4.19
- Commission	4.54	4.32
- Discount	7.60	7.09
- Sale Promotion	3.78	-
- Others	0.18	0.08
14) Earnings in Foreign Exchange		
- FOB Value of Exports	2992.47	2988.69
- Others	-	0.02
15) Statutory Auditors' Remuneration (including applicable service tax) - Audit Fee (Rs.)	93,755	95,506
16) Value of Consumable Stores, Stores and Spares consumed during the year (Rs./Lacs)		

Particulars	2008-09		2007-08	
	Imported	Indigenous	Imported	Indigenous
Consumable Stores				
- Value	-	396.62	-	385.55
- Percentage	-	100.00	-	100.00
Stores & Spares				
- Value	8.78	40.54	7.13	45.61
- Percentage	17.80	82.20	13.52	86.48

17) **SEGMENT REPORTING**

Based on the guiding principles given in the Accounting Standard 17 "Segment Reporting" issued by "The Institute of Chartered Accountants of India" the Board of Directors considers and maintains that the manufacture of "Terry Towels" is the only business segment of the Company.

18) **IMPAIRMENT OF ASSETS**

In the opinion of the Board, there is no material impairment in the value of overall assets.

19) **RELATED PARTY DISCLOSURE**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, are given below :-

a) **RELATED PARTIES**

**Key Management Personnel** - Mr. R. C. Mahajan, Mr. Amit Mahajan, Mr. T.N. Tikoo, Mr. Y.R. Kapur and Mr. Amit Mahajan

**Associates** - Universal Cyber Infoway (P) Ltd., Susang Mac (P) Ltd, Gulmohar Investments & Holdings Ltd. and Pride Properties (P) Ltd.

b) **TRANSACTIONS WITH RELATED PARTIES** (Rs./Lacs)

Nature of Transaction	2008-09		2007-08	
	Key Mgmt Personnel	Associates	Key Mgmt Personnel	Associates
Remuneration & Perks	58.87		57.64	--
Payment of Interest	0.72	--	--	--
Unsecured Loans				
- received	205.65	75.00	12.50	100.00
- repaid	13.15	59.15	--	12.50

20) Earning per share [EPS] computed in accordance with Accounting Standard 20: "Earning per Share":

Basic/Diluted -		2008-09	2007-08
Net Profit as per Accounts (Rs./Lacs)	A	63.57	9.91
Weighted average no. of shares	B	12,574,000	12,574,000
EPS (Re.)	A/B		
- Basic		0.51	0.08
- Diluted		0.51	0.08

21) **DEFERRED TAX LIABILITY**

Deferred tax assets and liability are being offset as they relate to taxes on income levied by the same governing Taxation Laws. Break up of deferred tax assets/liability and reconciliation of current year deferred tax :-

		(Rs./Lacs)	
		As at	As at
		March 31,	March 31,
		2009	2008
A. Deferred Tax Liability			
- Difference between carrying amount of fixed assets in the financial statements and the income tax returns.		735.02	747.33
TOTAL	'A'	<u>735.02</u>	<u>747.33</u>
B. Deferred Tax Assets			
- Unabsorbed Depreciation/business loss as per income tax returns		---	45.29
- Expenses charged in the financial statements but allowable as deduction under Income Tax Act in subsequent years.		35.38	---
- Expenses disallowed under Section 40a(ia)		---	39.03
TOTAL	'B'	<u>35.38</u>	<u>84.32</u>
Net Deferred Tax Liability	(B - A)	699.64	663.01
Tax impact		237.81	225.36

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

Provisions	Income-Tax	FBT	Bonus
Opening Balance	5.00	4.00	4.35
Add : Additions	4.80	3.25	2.90
Less : Amount used	4.80	3.40	2.69
Less: Unused Amount Reversed	0.20	.60	---
Closing Balance	4.80	3.25	4.56

24) Previous year figures have been regrouped and rearranged wherever necessary to make them comparable.

For & on behalf of the Board

Vikas Goyal      Y.R.KAPUR      AMITMAHAJAN      R.C. MAHAJAN  
Company Secretary    Director-Finance    Director-Commercial    Managing Director  
As per our report attached to the Balance Sheet  
For KANSAL SINGLA & ASSOCIATES  
Chartered Accountants

**SJKANSAL**

Place : Chandigarh  
Date : June 30, 2009

Partner  
Membership No. 080632

**NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of the Company will be held on , Wednesday, the 30<sup>th</sup> day of September, 2009 at 10.00 am at the Registered Office of the Company at Village Kuranwala, Barwala Road, Derabassi – 140 507, Distt Mohali(Punjab) to transact the following business –

**ORDINARY BUSINESS –**

- To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
- To appoint a Director in place of Mr. Amit Mahajan, who retires by rotation and is eligible for re-appointment.
- To appoint a Director in place of Mr. Amit Mahajan, who retires by rotation and is eligible for re-appointment.
- To appoint a Director in place of Mr. B.K.Malhotra, who retires by rotation and is eligible for re-appointment.
- To consider and if thought fit to pass, with or without modification(s), the following resolutions as an ordinary resolution : -  
"RESOLVED that M/s Kansal Singla & Associates, Chartered Accountants, the retiring Auditors be and are hereby reappointed as Statutory Auditors for the year 2009-10 and that the Audit Committee be and is hereby authorised to fix their remuneration."

**SPECIAL BUSINESS –**

- To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution : -  
"RESOLVED that Mr. V. K. Dewan , who was appointed as an Additional Director w.e.f January 29, 2009 and pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956 and Article 85(i) of the Articles of Association of the Company, who holds office upto the date of forthcoming Annual General Meeting be and is hereby appointed a Director liable to retire by rotation"
- To consider and if thought fit to pass, with or without modification(s), the following resolution as a special resolution : -  
"RESOLVED that pursuant to the provisions of Section 81(1-A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions of the Securities & Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the Listing Agreement with the Stock Exchange(s), the Memorandum & Articles of Association of the Company and other applicable provisions, if any, and subject to the necessary approvals of financial institutions, banks and other concerned persons and authorities, if any, consent of the Members of the Company be and is hereby accorded to offer, issue and allot upto 658000 equity shares of Rs. 10/- each and 684000 warrants with an entitlement to convert into/exchange with equity shares, at the option of the warrant holder(s), during anytime after April 1, 2010 but before February 28, 2011, at a price to be computed as per the SEBI (DIP) guidelines by way of private placement on preferential allotment basis as per the terms and conditions given in the Explanatory Statement annexed to this notice to the following persons who are part of Promoter Group :-

	Equity Shares	Warrants
Universal Cyber Infoway Pvt. Ltd.	329000	342000
Pride Properties Pvt. Ltd.	329000	342000

a closely held private limited companies incorporated under the Companies Act, 1956 and controlled by the Managing Director, Director (Commercial), Director (Operations) and their relatives.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to determine the issue price, to reduce, change or modify the number of equity shares and to finalise and modify the terms and conditions, quantum, period of conversion, pricing, timings and all other matters relating to the issue and allotment of the aforesaid preferential issue of the equity shares and warrants, to agree to such conditions and modifications that may be imposed, required or suggested by the Securities and Exchange Board of India (SEBI) the Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board and to settle all issues, questions or difficulties that may arise with regard to the aforesaid preferential issue of equity shares and warrants in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matter and things as may be required, necessary, proper or expedient to give effect to this

resolution.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to delegate all or any of the abovesaid mentioned powers/authorities to any Director(s) and/or officer(s) of the Company."

For and on Behalf of the Board

**VIKAS GOYAL**

Company Secretary

Place : Derabassi

Date : September 05, 2009

Regd. Office - Village Kuranwala,  
Barwala Road, Derabassi – 140 507,  
Distt. Mohali (Punjab)

**NOTES–**

- A Member entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and on a poll to vote instead of himself/herself. The proxy need not be a Member of the Company. A blank form of proxy is enclosed and if intended to be used, it should be returned, duly completed, to the Registered Office of the Company, not less than 48 hours before the scheduled time of the meeting.
- Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956 in respect of the Special business is annexed
- The disclosure required to be made in terms of the SEBI (DIP) Guidelines and Regulations with respect to the proposed resolution for preferential allotment are also given in the Explanatory Statement and forms part of this Notice.
- The Register of Members and the Share Transfer Register will remain closed from Saturday, September 26, 2009 to Wednesday, September 30, 2009 (both days inclusive) in terms of provisions of Section 154 of the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Ltd., Mumbai.
- 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., A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area Phase – II, Near Batra Banquette, New Delhi – 110 028.
- Members holding shares in electronic form are requested to notify change in their address, if any, to their Depository Participant.
- Members/Proxies are requested to bring their copies of the Annual Report alongwith duly filled admission slips for attending the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO . 6**

Mr. V.K. Dewan was appointed additional director w.e.f January 29, 2009 . Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 85(i) of the Articles of Association, he holds office up to the date of forthcoming annual general meeting. Mr Dewan has wide experience in the field of Education & Industry. As required by Section 257 of the Companies Act, a notice alongwith a deposit of Rs. 500/- has been received from a Member signifying his intention to propose Mr. Dewan's candidature for appointment as director liable to retire by rotation.

The Board considers it desirable that the company should continue to avail itself of his services and hence recommends the resolution for approval of the shareholders.

Mr V.K. Dewan does not hold any Shares of the company.

The Board recommends the passing of the subject resolution.

None of the Directors except Mr. V. K. Dewan himself is interested in this resolution

**ITEM NO . 7**

Your Company proposes to make a preferential issue of equity shares and convertible warrants, with an option to convert into/exchange with equity shares, to strengthen the long term funds. In terms of the provisions of Section 81(1-A) of the Companies Act, 1956, the consent of the Members by way of special resolution is required for issue of shares to the persons other than the existing shareholders. Further, the preferential issue of equity shares and / or convertible warrants, in case of listed companies, is also governed by the Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The terms & conditions of the proposed preferential issue are as under :-  
**Issue Price**– The Issue Price of the equity shares and the resultants shares on conversion/exchange shall be the price calculated as per the pricing formula prescribed in the SEBI (DIP) Guidelines which shall be not less than the higher of the following –

- the average of the weekly high and low of the closing prices of the

# S. R. Industries Limited

Annual Report 2008-09

related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

b) the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

As per the SEBI (DIP) Guidelines, the "relevant date" for this purpose shall mean the date 30 days prior to the date on which the meeting of general body of shareholders is held to consider the proposed issue in terms of Section 81(1-A) of the Companies Act, 1956. However, the "relevant date" in case of issue of convertible warrants may, at the option of the issuer Company be either the date 30 days prior to the date on which the meeting of general body of shareholders is held to consider the proposed issue in terms of Section 81(1-A) of the Companies Act, 1956 or a date 30 days prior to the date on which the holder of the warrants become entitled to apply for the said shares.

**Relevant Date** – As per the SEBI Guidelines, the "relevant date" for the purpose of determination of issue price of the equity shares and resultant shares shall be the date thirty days prior to the date of this Annual General Meeting i.e August 31, 2009.

**Lock-in-period** – As per the SEBI (DIP) Guidelines, the equity shares issued on preferential basis to the promoter/promoter group shall be subject to a lock-in-period of 3 years from the date of their allotment. The lock-in on shares acquired by exercise of warrants, shall be reduced to the extent the convertible warrants have been locked-in. Further, the entire pre-preferential shareholding of the allottees shall be under lock-in from the relevant date upto a period of 6 months from the date of preferential allotment.

**Payment / Up-front Payment** – The full payment of the issue price of the equity shares shall be paid alongwith the share application. Further, in case of warrants, at least twenty five percent of the issue price of the resultant equity shares shall be payable at the time of application for allotment of convertible warrants. This up-front payment will be adjusted against the final payment required to be made for acquiring shares on conversion/exchange of convertible warrants. The up-front amount paid shall be forfeited to the extent, the option(s) to acquire shares is not exercised.

**Conversion of Warrants** – The holder of the convertible warrants shall be entitled to convert into/exchange the warrants with equal number of equity shares, at its option, during anytime after April 1, 2010 but before February 28, 2011.

**Allottees** – The preferential allotment of 658000 equity shares of Rs. 10/- each and 684000 convertible warrants, at a price to be computed as per the SEBI guidelines is proposed to be made to the following persons who are part of the promoter group in terms of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 in the following proportion :-

	Equity Shares	Warrants
Universal Cyber Infoway Pvt. Ltd.	329000	342000
Pride Properties Pvt. Ltd.	329000	342000

a closely held private limited companies incorporated under the Companies Act, 1956 and controlled by the Managing Director, Director (Operations), Director (Commercial) and their relatives.

**Pre-Issue and Post-Issue holding of the Proposed Allottees** – Assuming 100 % conversion / exchange of the convertible warrants, the pre and post issue shareholding of the proposed allottees shall be as under –

Proposed Allottee	Pre Issue/ Conversion on shares		Post Issue/Conversion on shares	
	No.	% age	No.	% age
After Allotment of 658000 Shares				
-Universal Cyber Infoway Ltd.	280100	2.23	609100	4.60
-Pride Properties Pvt. Ltd.	815000	6.48	1144000	8.65
After Conversion of 684000 Warrants				
-Universal Cyber Infoway Ltd.	609100	4.60	951100	6.83
-Pride Properties Pvt. Ltd.	1144000	8.65	1485000	10.68

None of the above proposed allottees has sold any equity share of the company during the six months period prior to the relevant date.

**Intention of Promoters/Directors/Key Management Persons to Subscribe** – All of the proposed allottees which are part of the Promoter's Group/Persons acting in concert with the Promoters have agreed, in principle, to subscribe to the proposed preferential issue at a price to be determined

as per the SEBI Guidelines.

**Pre-issue and Post-issue Shareholder Pattern** – Presuming 100 % conversion/exchange the post equity issue/post warrants conversion/exchange shareholding pattern of the Company shall be as under –

Category	Pre Issue shares@		Post Issue shares	
	No.	% age	No.	% age
<b>A Promoters Holding</b>				
<b>1 Promoters</b>				
-Indian Promoters	4314700	34.31	5656700	40.65
-Foreign Promoters	Nil	Nil	Nil	Nil
<b>2 Persons acting in concert</b>	Nil	Nil	Nil	Nil
Sub Total	4314700	34.31	5656700	40.65
<b>B Non-Promoters Holding</b>				
<b>3 Institutional Investors</b>	Nil	Nil	Nil	Nil
a Mutual Funds and UTI	Nil	Nil	Nil	Nil
b Banks, Financial Institutions, Insurance Companies	Nil	Nil	Nil	Nil
c FIs	Nil	Nil	Nil	Nil
Sub Total	Nil	Nil	Nil	Nil
<b>4 Others</b>				
a Private Corporate Bodies	2265652	18.02	2265652	16.28
b Indian Public	5921199	47.09	5921199	42.55
c NRIs/OCBs	72449	0.58	72449	0.52
d Any other (please specify)	Nil	Nil	Nil	Nil
Sub Total	8259300	65.69	8259300	59.35
<b>Grand Total</b>	<b>12574000</b>	<b>100.00</b>	<b>13916000</b>	<b>100.00</b>

@ as on June 30, 2009

**Object and Purpose of Preferential Issue** – The Company is diversifying its activities. There is an increase in the requirement of funds to part finance the cost of diversification. The Company has proposed to make a preferential issue of equity share and convertible warrants to Promoter/ Promoter Group to meet the additional requirement of funds / to augment the capital base of the Company for further leveraging.

**Time of Allotment** – As per the SEBI (DIP) Guidelines, 2000, as amended, the allotment of equity shares and the warrant pursuant to this resolution will be made within a period of 15 days from the date of passing of the resolution in this Annual General Meeting. However, this shall exclude the time taken in obtaining the necessary approvals, if any, by any regulatory authority or the Central Government, in which case the allotment will be completed within 15 days from the date of such allotment.

**Listing** – The existing equity shares of the Company are listed on The Stock Exchange, Mumbai. The proposed preferential issue of equity shares and the resultant equity shares on conversion/exchange of warrants shall also be listed on The Stock Exchange, Mumbai for which the application shall be made after the approval of the shareholders is obtained.

**Auditor's Certificate** – The Statutory Auditors of the Company have certified that the present preferential issue of equity shares and the convertible warrants on the above terms and conditions, is in accordance with the requirements contained in the SEBI (DIP) Guidelines, 2000 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Auditors Certificate shall be laid before the Annual General Meeting.

In terms of the provisions of Section 81(1-A) of the Companies Act, 1956, the consent of the shareholders by way of special resolution is required.

Mr. R.C.Mahajan, Managing Director and Mr. Amit Mahajan, Director (Operations) are concerned and interested in the proposed resolution to the extent of equity shares / convertible warrants are allotted to M/s Universal Cyber Infoway Pvt. Ltd. and further Mr. Amit Mahajan, Director (Commercial) is concerned and interested in the proposed resolution to the extent of equity shares / warrants are allotted to M/s Pride Properties Pvt. Ltd.

The Board recommends the resolution for adoption by the members.

Place : Derabassi  
Date : September 5, 2009  
Regd. Office -Village Kuranwala, Barwala Road,  
Derabassi – 140 507, Distt. Mohali (Punjab)

For and on Behalf of the Board  
**VIKAS GOYAL**  
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I REGISTRATION DETAILS**

Registration No. 

		9	5	3	1
--	--	---	---	---	---

 State Code 

				1	6
--	--	--	--	---	---

Date 

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date            Month            Year

**II CAPITAL RAISED DURING THE YEAR : (RS.IN THOUSANDS)**

Public Issue 

				N	I	L
--	--	--	--	---	---	---

 Rights Issue 

				N	I	L
--	--	--	--	---	---	---

Bonus Issue 

				N	I	L
--	--	--	--	---	---	---

 Private Placements 

				N	I	L
--	--	--	--	---	---	---

**III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS : (RS.IN THOUSANDS)**

Total Liabilities 

3	7	7	7	2	4
---	---	---	---	---	---

 Total Assets 

3	7	7	7	2	4
---	---	---	---	---	---

**SOURCES OF FUNDS :**

Paid-up Capital 

1	2	5	4	6	2
---	---	---	---	---	---

 Reserves and Surplus 

	4	0	1	6	8
--	---	---	---	---	---

Secured Loans 

1	5	2	7	1	3
---	---	---	---	---	---

 Unsecured Loans 

	3	5	6	0	0
--	---	---	---	---	---

Deferred Tax Liability 

	2	3	7	8	1
--	---	---	---	---	---

**APPLICATION OF FUNDS :**

Net Fixed Assets 

2	3	2	2	5	1
---	---	---	---	---	---

 Investment 

				N	I	L
--	--	--	--	---	---	---

Net Current Assets 

1	4	5	4	7	3
---	---	---	---	---	---

 Miscellaneous Expenditure 

				N	I	L
--	--	--	--	---	---	---

Accumulated Losses 

				N	I	L
--	--	--	--	---	---	---

**IV PERFORMANCE OF THE COMPANY (RS.IN THOUSANDS)**

Turnover 

3	2	4	6	9	9
---	---	---	---	---	---

 Total Expenditure 

3	4	5	4	0	8
---	---	---	---	---	---

Profit Before Tax 

		4	6	3	9
--	--	---	---	---	---

 Profit After Tax 

		6	3	5	7
--	--	---	---	---	---

Earning Per Share (Re.) 

		0		5	1
--	--	---	--	---	---

 Dividend Rate % 

				N	I	L
--	--	--	--	---	---	---

**V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY**

Item Code No. 

6	3	0	7	9	0	0	0	9	0
---	---	---	---	---	---	---	---	---	---

Product Description    100% COTTON TERRY TOWELS

For & on behalf of the Board

Place : Chandigarh  
Date : June 30, 2009

**VIKAS GOYAL**  
Company Secretary

**Y.R. KAPUR**  
Director-Finance

**AMIT MAHAJAN**  
Director-Commercial

**R.C. MAHAJAN**  
Managing Director

**BOOK - POST**



# **S .R. Industries Limited**

**Regd. Office & Works :  
Village Kuranwala, Barwala Road, Derabassi - 140507  
Distt. Mohali (Punjab)  
Phones : (01762) 506161 Fax : (01762) 280409**