ARUR FOOTWEAR LIMITED

(Formerly Known as S R INDUSTRIES LIMITED)
CIN: L29246PB1989PLC009531
Corporate office: II-B / 20, First Floor Lajpat Nagar, New Delhi-110024
Registered Office: E- 217, Industrial Area, Phase 8B, Mohali, Punjab- 160071
Ph: 011-69999159, E-mail: srindustries9531@gmail.com
(Rehabilitated from Corporate Insolvency Resolution Process)

Date: 03/09/2026

To,
The Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Script Code: 513515
Script Name: ARUR

Subject: Submission of Annual Report for the Financial Year 2025-26 including notice convening the 36th Annual General Meeting of Arur Footwear Limited (Formerly known as S R Industries Limited) ("the Company")

Dear Sir/Ma'am,

In Compliance to Regulation 30 and Regulations 34 of the SEBI (Listing Obligations and disclosures Requirements) Regulation, 2015, we submit herewith a copy of the Annual Report for the Financial Year 2025-26 including the Notice Convening the 36th Annual General Meeting of the company scheduled to be held on Saturday, 26th September 2026.

Kindly acknowledge the same and take it on your records.

For Arur Footwear Limited
(Formerly known as S R Industries Limited)

PANKAJ DAWAR Digitally signed by PANKAJ DAWAR Date: 2026.09.03 19:56:34 +05'30'

Pankaj Dawar
Managing Director
DIN-06479649

Place: New Delhi

Encl. as above

36th ANNUAL REPORT

2025-26

ARUR FOOTWEAR LTD.

(Formerly known as S R Industries Limited)

CIN: L29246PB1989PLC009531

CONTENTS

COMPANY INFORMATION

CIN.: L29246PB1989PLC009531

WEBSITE: www.arurfootwear.co.in

E-MAIL ID: srindustries9531@gmail.com

ISIN: INE329C01011

REGISTERED OFFICE

E- 217, Industrial Area, Phase 8B, Mohali, Punjab – 160071

CORPORATE OFFICE

II-B / 20, First Floor, Lajpat Nagar, New Delhi- 110024

MANUFACUTURING UNIT/Plant

Village Singha, Tehsil Haroli, District. UNA, Himachal Pradesh-177220

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Pvt. Ltd.
Address: Nobel Heights, 1st Floor, Plot No. 2,
NH-2, LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058

STATUTORY AUDITOR

M/s Krishna Rakesh & Co., Chartered Accountant, FRN: 009088N
Address: 143, Kohat Enclave, 2nd Floor, Pitampura, Delhi -110034

BOARD OF DIRECTORS

1. Mr. Pankaj Dawar (Managing Director)
2. Mr. Manish Kumar Gupta (Director)
3. Mr. Sanjeev Kumar Sapra (Independent Director)
4. Mrs. Deepti Datta (Independent Director)
5. Mr. Deepak Logani (Independent Director)

CHIEF FINANCIAL OFFICER (CFO)

Mr. Manish Kumar Gupta

II-B / 20, First Floor, Lajpat Nagar, New Delhi- 110024

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nidhi Pathak

II-B / 20, First Floor, Lajpat Nagar, New Delhi- 110024

SECRETARIAL AUDITOR

M/s Meenu G & Associates,
Address: 9089/2, Multani Dhanda, Pahar Ganj, New Delhi- 110055

STOCK EXCHANGE WHERE COMPANY IS LISTED

BSE Limited

BANK

State Bank of India (SBI)

BOARD COMMITTEES

A. AUDIT COMMITTEE

(i) Mrs. Deepti Datta (Chairperson)
(ii) Mr. Sanjeev Kumar Sapra (Member)
(iii) Mr. Pankaj Dawar (Member)

B. NOMINATION AND REMUNERATION COMMITTEE

(i) Mrs. Deepti Datta (Chairperson)
(ii) Mr. Sanjeev Kumar Sapra (Member)
(iii) Mr. Deepak Logani (Member)

C. STAKEHOLDER RELATIONSHIP COMMITTEE

(i) Mrs. Deepti Datta (Chairperson)
(ii) Mr. Sanjeev Kumar Sapra (Member)
(iii) Mr. Deepak Logani (Member)

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Ph: 011-41070885, E-mail: srindustries9531@gmail.com
(Rehabilitated from Corporate Insolvency Resolution Process)

Notice

Notice is hereby given that the 36th Annual General Meeting ("AGM") of the members of Arur Footwear Limited (Formerly known as S R Industries Limited) ("the Company") will be held on **Saturday, September 26, 2026 at 12:30 P.M** at 6th floor, Plot Number 2, Sahibzada Ajit Singh Nagar, Sector 67 Road, Mohali-160055 to transact the following businesses as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet for the financial year ended 31st March, 2026 together with the Profit and Loss Account, Cash Flow Statement for the financial year ended on that date along with schedules appended thereto and the Report of the Auditors and Board of Directors thereon.

2. To appoint a director in place of Mr. Manish Kumar Gupta (DIN: 05331936), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and approve the Appointment of Mr. Mayank Ahuja (DIN:10388943) as an Executive Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 152, 161, 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members be and is hereby accorded for the appointment **Mr. Mayank Ahuja (DIN:10388943),** who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 28th May, 2026 and whose continuation of appointment as an additional director was approved by the Board of Directors at its meeting held on 17th July, 2026 pursuant to Regulation 17(1C) of the SEBI LODR Regulations, be and is hereby appointed as an Executive Director of the Company with effect from 28th May, 2026, liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Mayank Ahuja shall be entitled to receive sitting fees, reimbursement of expenses, and such other remuneration as may be determined by the Board of Directors from time to time within the limits prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, and things, including filing necessary forms (including Form DIR-12) with the Registrar of Companies / Ministry of Corporate Affairs and submitting required disclosures to the Stock Exchanges, as may be necessary to give effect to this resolution."

4. **<u>To consider and approve the Shifting of Registered Office of the Company from the State of Punjab to the State of Himachal Pradesh and consequential amendment in Memorandum of Association of the Company.</u>**

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 13(4) read with Section 12 and other applicable provisions, if any, under Companies Act, 2013 or any other law for the time being in force read with the applicable rules, as amended from time to time, (including any statutory modifications or amendment thereto or reenactment thereof for the time being in force), subject to the consents, sanctions and approval of any authority (including Central Government, power delegated to Regional Director, Ministry of Corporate Affairs), as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and subject to the consent/approval of the Members of the Company by way of special resolution, consent of Board be and is hereby accorded for shifting of the registered office from the State of Punjab(Mohali) to the State of Himanchal Pradesh(UNA).

RESOLVED FURTHER THAT subject to the approval of the Members in general meeting, Memorandum of Association of the Company be altered/amended by inserting the words "State of Himanchal Pradesh" in substitution of and while deleting the words "State of Punjab" in Clause-(ii) thereof and the new clause (ii) shall be read as under:

"ii. The Registered Office of the Company will be situated in the State of Himanchal Pradesh."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to take such steps and actions as may be deemed necessary, expedient or desirable to give effect to the aforesaid resolution, including filing of the application under Section 13(4) of the Companies Act, 2013, before the Regional Director, Northern Region Directorate II, Ministry of Corporate Affairs, Chandigarh, and to represent the Company and do all such acts, deeds, matters and things as may be necessary, incidental or ancillary thereto."

5. **<u>To consider and approve the structural alignment of the Object Clause of the Memorandum of Association of the Company in accordance with the Companies Act, 2013.</u>**

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 Sections 4, 13, and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Incorporation) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s), amendment(s), or re-enactment(s) thereof for the time being in force), and subject to such approvals, consents, permissions, and sanctions as may be required from the Registrar of Companies (ROC), Stock Exchanges, and/or any other statutory or regulatory authority, the consent of the Members of the Company be and is hereby accorded to alter and align Clause (iii) of the Memorandum of Association (MOA) of the Company as follows:

(A) Realignment of Clause (iii)B. heading: The heading of Clause (iii)B. of the MOA be and is hereby substituted to align strictly with Schedule I, Table A of the Companies Act, 2013, to read as under:

> **“B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE (iii)A."**

(B) Deletion of Clause (iii)C. [Other Objects]:

Clause (iii)C. containing "THE OTHER OBJECTS ARE" (comprising sub-clauses 1 to 12) be and is hereby completely deleted from the MOA in its entirety to align the MOA structure with Table A under Schedule I of the Companies Act, 2013.

RESOLVED FURTHER THAT the existing MOA of the Company be updated, restructured, and substituted accordingly to reflect the aforesaid additions, amendments, and deletions.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee authorized by the Board or any Director / Key Managerial Personnel authorized in this regard) be and is hereby authorized to do all such acts, deeds, matters, and things as may be necessary, proper, or expedient to give effect to this resolution, including but not limited to executing and submitting necessary statutory e-forms (specifically Form MGT-14) with the Registrar of Companies (ROC), submitting required intimations/disclosures to the Stock Exchanges, making necessary adjustments in corporate records, and complying with all procedural requirements under applicable law."

By order of the Board of Directors
Arur Footwear Limited
(Formerly known as S R Industries Limited)

Date: September 03, 2026
Place: New Delhi

Pankaj Dawar
DIN-06479649
Managing Director

NOTES

We are writing to inform you about the 36th Annual General Meeting (AGM) of ARUR FOOTWEAR LIMITED (formerly known as S. R. Industries Ltd.) (the "Company"), scheduled to be held on **Saturday, September 26, 2026, at 12:30 P.M**. (IST). As you may be aware, the Company underwent a Corporate Insolvency Resolution Process (CIRP), initiated by the Hon'ble NCLT, Chandigarh Bench, on December 21, 2021. Following the CIRP, Bazel International Limited (BIL) along with associates was approved as the Successful Resolution Applicant (SRA) by the Adjudicating Authority on July 1, 2024. Consequently, Bazel Internal Ltd. and its associates acquired a 95% majority stake in the Company. The new management took control towards the end of November 2024 and is actively pursuing various initiatives to revive and rehabilitate the Company across all operational and financial fronts. In light of these developments, the 36th AGM will be held physically within the local limits at the Company's Registered Office.

1. As per the Resolution Plan approved by Hon'ble National Company Law Tribunal, Chandigarh bench, the Company is required to allot 95% of its shareholding, i.e., 1,86,89,825 equity shares, to the promoter and promoter group, and the remaining 5%, i.e., 9,83,675 equity shares, to the public shareholders. The allotment was approved at the Board Meeting held on February 04, 2025, and an application for listing of these securities has been submitted to BSE. Pursuant to this corporate action, the existing ISIN (INE329C01011) was suspended, and a new ISIN (INE329C01029) was issued by the depository. However, due to the pending of listing approval with BSE, the new ISIN has not been activated, and as a result, the Company has not been able to credit the post-CIRP equity shares into the respective demat accounts of the shareholders. Consequently, e-voting cannot be facilitated for the AGM. Accordingly, voting at the AGM will be conducted through physical means only.
2. As you are aware that our previous ISIN (INE329C01011) has been suspended and for allotment of equity share as per approved resolution plan has been passed by the Board of Directors of the company and made the application to the BSE for their listing approval and on the request of the company the depository has issued a new ISIN (INE329C01029) and the our corporate action is still in progress, so that in this regard we are not able to credit the above equity share in the demat account of the respective shareholders.
3. The equity shares are lying in non-active or Temporary ISIN of the company, the facility for voting through remote e-voting has not been provided to the members to cast their votes virtually before the date of AGM. Therefore, the members/proxy(s) attending the meeting can cast their vote through ballot paper at the time of ensuing AGM. The Company is in the process of restructuring its share capital as per the NCLT Approved Plan i.e. 95% shareholding with Bazel International Limited along with its Associates under the category of Promoters and 5% shareholding with the Public. Public shareholders who will attend the meeting can cast their vote through ballot paper at the time of AGM.
4. In light of this situation, the Company is unable to send individual notices to its shareholders regarding the forthcoming 36th Annual General Meeting (AGM). To ensure compliance with the relevant provisions of the Companies Act, 2013 and the Board of Directors of the Company has decided and directed that the Company is publishing this notice in the Financial Express (in English) and "Jansatta" (in Hindi), which shall be deemed sufficient notice to all eligible shareholders.
5. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint proxy/proxies to attend and vote instead of himself and the proxy. the proxy need not be a member of the company. proxy, in order to be effective, must be deposited with the company at its registered office not less than 48 hours before the scheduled time of the meeting.

6. The Instrument of Proxy, duly executed and properly stamped, should reach the Company at its registered office not less than 48 hours before the commencement of the Annual General Meeting. Proxy Form (MGT-11) is enclosed herewith. Pursuant to the provisions of Section 105 of the Companies Act, 2013 (“the Act”), a person shall not act as a proxy for more than 50 (fifty) shareholders and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY LETTER, AS THE CASE MAY BE APPLICABLE.
7. An incomplete proxy form or proxy form received beyond time limit is liable to be rejected. A proxy form is enclosed and no gift in any kind shall be distributed at the Annual General Meeting.
8. AGM Notice and Annual Report are also available on the website of the Company i.e., https://www.arurfootwear.co.in/ and on the website of BSE Limited at www.bseindia.com.
9. An Explanatory Statement pursuant to Section 102(1) of the Act relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
10. Relevant Documents referred to in the accompanying Notice and other documents, as applicable, will be made available for inspection in electronic mode. Members can inspect the same by sending a request to the Company's investor email ID i.e., srindustries9531@gmail.com or can write to us at our corporate office at II-B / 20, First Floor, Lajpat Nagar, New Delhi - 110024.
11. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
12. Members, Proxies and Authorised Representatives are requested to bring to the meeting the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. They are also requested to bring their copy of the Annual Report to the Annual General Meeting.
13. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
14. Members are requested to bring the Attendance Slip at the venue duly filled-in and signed for attending the meeting, as entry to the AGM place will be strictly on the basis of the Entry Slip available at the counters at the meeting venue in exchange for the Attendance Slip.
15. The Company’s ISIN INE329C01011 was suspended, and a new ISIN (INE329C01029) has been issued by the depository. However, as the listing approval from BSE is still pending, the new ISIN has not yet been activated due to which the Company was unable to conduct e-voting for the 36th Annual General Meeting (AGM) and could not fix the cut-off date for closure of books. In this regard, it has already been clarified that e-voting could not be conducted. However, to ensure compliance, voting at the AGM shall be conducted through ballot paper.
16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in cases of requests received for transmission or transposition of securities. In view of this and to eliminate all risks. Shareholders holding shares in dematerialized form are requested to intimate all particulars of bank mandates, nominations, power of attorney, change of address, contact numbers etc., to their Depository Participant (DP). Shareholders holding shares in physical form are requested to intimate such details to the RTA.

17. Non-Resident Indian shareholders are requested to inform the Company/RTA regarding:
    • Change in their residential status on return to India for permanent settlement.
    • Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, and address of the bank with PIN code number, if not furnished earlier.
18. To support the 'Green Initiative', those shareholders whose email address is not registered with the Company or with their respective Depository Participant(s) and who wish to receive the Notice of the 36th AGM and the Annual Report for the financial year 2025–2026 and all other communications sent by the Company from time to time can get their email address registered by following the steps as given below:
    a) For shareholders holding shares in physical form, please send a scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with a scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the member, by email to the Company at srindustries9531@gmail.com or to the Company's Registrars and Transfer Agents, MUFG Intime India Private Limited (RTA) at sunil.mishra@in.mpms.mufg.com
    b) For shareholders holding shares in DEMAT form, please update your email address through your respective Depository Participant(s).
19. Authorizing their representative to attend and vote on their behalf at the Meeting. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company, for admission to the meeting hall where the AGM is proposed to be held. Shareholders who hold shares in electronic form are requested to bring their Client ID and DP ID numbers for identification.
20. In case of joint holders, a member whose name appears as the first holder in the order of their names as per the Register of Shareholders will be entitled to cast vote at the AGM.
21. As per the provisions of the Act and Listing Regulations, the facility for registration of nomination is available for the shareholders in respect of the shares held by them. Shareholders holding shares in physical form in single name are advised to make nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013. They are requested to write to RTA of the Company in the prescribed form i.e., Form No. SH-13 as per the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).
22. SEBI has mandated listed companies to issue securities in dematerialized form only, while processing service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; subdivision/splitting of securities certificate; consolidation of securities certificates/folios; and transmission and transposition. In this regard, shareholders are requested to make requests in Form ISR–4. It may be noted that any service request can be processed only after the folio is KYC compliant. All the relevant forms are available on the website of the Company i.e. https://www.arurfootwear.co.in/.
23. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/phone numbers, PAN, mandates, nominations, and bank details etc., to their Depository Participants ("DPs") in case shares are held by them in electronic form and to Company's RTA in Form ISR-1, in case shares are held by them in physical form. All the relevant forms are available on the website of the Company i.e. https://www.arurfootwear.co.in/.
24. The Securities and Exchange Board of India (SEBI) has vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form are, therefore, requested to submit their PAN to their

Depository Participants with whom they are maintaining their Demat accounts. Shareholders holding shares in physical form can submit their PAN to the Company and RTA.

25. Electronic copy of the Notice of Annual General Meeting and Annual Report 2025–26 is being sent to all the shareholders whose email IDs are registered with the Company/Depositories for communication purposes unless any member has requested for a hard copy of the same.
26. All the material documents including Resolutions, Memorandum and Articles of Association of the Company, Notice of AGM, and the statement pursuant to Section 102(1) of the Act etc., are open for inspection to the shareholders during business hours on all days except Saturdays, Sundays, and Public Holidays till the conclusion of the Annual General Meeting at the registered office of the Company.
27. For security reasons, no article/baggage will be allowed at the venue of the meeting.
28. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by ICSI in respect of the directors seeking appointment/re-appointment at the AGM, is provided in their respective explanatory statement. The directors being eligible, offer themselves for re-appointment as required under the Companies Act, 2013 and the Rules made thereunder as also provided in the annexure to the Notice.
29. The Company has appointed M/s. Meenu G. & Associates, Company Secretaries, New Delhi as the Scrutinizer for scrutinizing the entire voting process i.e., voting during the AGM, to ensure that the process is carried out in a fair and transparent manner. The Scrutinizer shall, immediately after the completion of the scrutiny of the voting (votes cast during the AGM), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's Report of the total votes cast in favor and against the resolution(s), invalid votes if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing.
30. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favor or against and invalid votes if any, within 2 working days to the Chairman or in his absence to any other Director authorized by the Board, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman.
31. The result declared along with the Scrutinizer's Report will be displayed on the notice board of the Company at its Registered Office and Company's website i.e., https://www.arurfootwear.co.in/. The result shall also be submitted to the Stock Exchanges, where the Company's shares are listed i.e. www.bseindia.com.
32. The Register under Section 189(4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.

By order of the Board of Directors
Arur Footwear Limited
(Formerly known as S R Industries Limited)

Sd/-
Pankaj Dawar
DIN-06479649
Managing Director

Date: September 03, 2026
Place: New Delhi

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3: To Consider and approve the Appointment of Mr. Mayank Ahuja (DIN:10388943) as an Executive Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Mayank Ahuja (DIN: 10388943) as an Additional Director (Executive, Non-Independent Director) of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, with effect from 28th May, 2026. The Board of Directors of the Company, at its meeting held on 17 July 2026, has, also approved the continuation of the appointment of Mr. Mayank Ahuja (DIN: 10388943) as an Additional Director (Executive, Non-Independent Director) of the Company, subject to the approval of the shareholders at the ensuing General Meeting or within a period of three months from the date of Board approval, i.e. 17 July 2026, whichever is earlier, in accordance with Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Section 161 of the Act, Mr. Mayank Ahuja holds office up to the date of the ensuing 36th Annual General Meeting of the Company. The Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Executive Director of the Company.

The Board is of the opinion that Mr. Mayank Ahuja possesses the requisite qualifications, experience, expertise and integrity and that his association with the Company will be of considerable value to the Company. His appointment is expected to strengthen the Board by bringing valuable professional experience and strategic guidance to the affairs of the Company.

The Company has also received from Mr. Mayank Ahuja:
(i) consent to act as Director of the Company pursuant to Section 152 of the Act.
(ii) disclosures of interest in Form MBP-1 pursuant to Section184 of the Act, and
(iii) intimation in Form DIR-8 pursuant to Section 164 of the Act, confirming that he is not disqualified from being appointed as Director.

Mr. Mayank Ahuja shall be liable to retire by rotation. He may be entitled to any remuneration, commission, sitting fees, reimbursement of expenses and/or such remuneration, if any, as may be determined by the Board of Directors from time to time, during his tenure as Executive Director of the Company, in accordance with the provisions of the Companies Act, 2013, the Articles of Association of the Company and other applicable laws.

Brief Profile of Mr. Mayank Ahuja:

Mr. Mayank Ahuja, aged 23 years, has Extensive experience working with international FMCG, Consumer, and SaaS Based companies. Having collaborated with executives and influencers at Edelman, the world's Leading PR agency, he possesses deep expertise in strategic communication and brand positioning.

Disclosure of relationship between Directors inter-se and Disclosure pursuant to The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name	Mr. Mayank Ahuja (DIN:10388943)
Age	23 years
Name of the Listed Companies in which Directorship Held	Bazel International Limited
Name of the Listed Companies in which Committee Membership held	Nil
Shareholding in the Company	Nil
Terms and Condition of appointment	As per the Nomination and Remuneration policy
Relationship with any Director(s)/ KMP of the Company	Nil
Remuneration proposed to be paid	As per the Nomination and Remuneration policy of the Company
Expertise in specific functional area	An experienced in international FMCG, Consumer, and SaaS Based companies.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

Except Mr. Mayank Ahuja and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 3 of the accompanying Notice.

Item No. 4: To consider and approve the Shifting of the Registered Office of the Company from the 'State of Punjab' to the 'State of Himachal Pradesh' and consequential amendment in Memorandum of Association of the Company.

The Registered Office of ARUR Footwear Limited is presently situated at E-217, Industrial Area, Phase-8B, Mohali, Punjab – 160071.

As per the provisions of Section 12(5) of the Companies Act, 2013, shifting of the registered office of a company from one State to another State requires approval of the members by way of Special Resolution and approval of the Regional Director, Northern Region Directorate II, Ministry of Corporate Affairs, Chandigarh, in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Company has its manufacturing facility/plant situated at **Village Singha, Tehsil Haroli, District Una, Himachal Pradesh-176601.** Considering that the Company's manufacturing and operational activities are situated in Himachal Pradesh, the Board of Directors proposes to shift the Registered Office of the Company from the **State of Punjab to the State of Himachal Pradesh**, with a view to facilitating better coordination, supervision and administrative convenience.

The proposed shifting of the Registered Office to **Village Singha, Tehsil Haroli, District Una, Himachal Pradesh-176601**, where the Company's manufacturing facility is situated, will enable the Company to align its corporate administration with its principal operational location and improve operational efficiency.

The shifting of the Registered Office from one State to another will be subject to approval of the members by way of **Special Resolution**, approval of the **Regional Director, Northern Region Directorate II, Ministry of Corporate Affairs, Chandigarh**, and completion of such other statutory formalities as may be applicable. Consequential alteration in the **Situation Clause (Clause ii) of the Memorandum of Association** will also be made.

The proposed shifting will not affect the legal status of the Company or the rights of its shareholders, creditors, employees or other stakeholders.

The relevant documents shall be available for inspection by the members at the Registered Office of the Company during working hours.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 5: To consider and approve the Structural Alignment of the Object Clause of the Memorandum of Association of the Company in accordance with the Companies Act, 2013.

The Company proposes to align the overall structure of its MOA strictly with **Table A under Schedule I of the Companies Act, 2013** by:

1. **Substituting the Heading of Clause (iii)B.** to read as *"MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE (iii)A."*
2. **Deleting Clause (iii)C. [Other Objects]** in its entirety (comprising sub-clauses 1 to 12), as the concept of "Other Objects" stands abolished under the Companies Act, 2013.

Pursuant to Section 13 and Section 4 of the Companies Act, 2013 read with applicable rules, any alteration to the Object Clause of the MOA requires the approval of the Shareholders by way of a **Special Resolution**, followed by the filing of e-Form MGT-14 with the Registrar of Companies (ROC) and necessary disclosures to the Stock Exchanges under SEBI (LODR) Regulations, 2015.

A copy of the existing MOA along with the proposed altered draft MOA is available for inspection by Members at the Registered Office of the Company during business hours on all working days up to the date of the General Meeting.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

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

ATTENDANCE SLIP

36th ANNUAL GENERAL MEETING
Saturday, September 26, 2026 at 12:30 p.m.

Members are requested to bring copy of Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and hand-over at the Entrance of Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name of the Shareholder:
Ledger Folio No./DP ID Clint ID:
Address:
No. of Shares held:
Name of the Proxy:

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the Annual General Meeting of the Company held on Saturday, September 26, 2026 at 12:30 p.m. (IST) at 6th floor, Plot Number 2, Sahibzada Ajit Singh Nagar, Sector 67 Road, Mohali-160055.

Full name of proxy (in case of proxy):

____

Signature of First holder/Proxy/

Authorised Representative

____

Signature of joint holder(s)

Note:
Please fill in and sign this attendance slip and hand it over at the venue of the meeting.
Only members of the Company and/or their proxy will be allowed to attend the meeting

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L29246PB1989PLC009531
Name of the company : Arur Footwear Limited (formerly known as S. R. Industries Ltd.)
Registered office : E-217, Industrial Area, Phase 8B, Mohali, Punjab- 160071
Corporate office : II-B / 20, First Floor Lajpat Nagar, New Delhi, Delhi, 110024
Name of the Members :
Registered Address :
E-mail ID :
Folio No. /Client ID :
DP ID :
I/We, being the member(s) of ....shares of the above-named Company, hereby appoint

1. Name: ……………………………………Email id: …………………………………

Address: ………………………………………...Signature:………………………., or failing him

2. Name: ………………………………………………, Email id: …………………………………

Address: ………………………………………...Signature:………………………., or failing him

3. Name: ………………………………………………, Email id: …………………………………

Address: ………………………………………...Signature:…………………………., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Members of Arur Footwear Limited (formerly known as S. R. Industries Ltd.) to be held on Saturday, 26th September, 2026 at 12.30 p.m. within the local limits of registered Office of the Company at 6th floor, Plot Number 2, Sahibzada Ajit Singh Nagar, Sector 67 Road, Mohali-160055 and at any adjournment thereof in respect of such resolutions as indicated below:

Item No.	Business to be transacted	For	Against
Ordinary Business:			
1.	To receive, consider and adopt the audited Balance Sheet for the financial year ended 31st March, 2026 together with the Profit and Loss Account, Cash Flow Statement for the financial year ended on that date along with schedules appended thereto and the Report of the Auditors and Board of Directors thereon.		
2.	To appoint a director in place of Mr. Manish Kumar Gupta (DIN: 05331936), who retires by rotation and being eligible, offers himself for reappointment.		

Special Business:			
3.	To consider and approve the Appointment of Mr. Mayank Ahuja (DIN:10388943) as an Executive Director of the Company.		
4.	To consider and approve the Shifting of the Registered Office of the Company from the 'State of Punjab' to the 'State of Himachal Pradesh' and consequential amendment in Memorandum of Association of the Company.		
5.	To consider and approve the Structural Alignment of the Object Clause of the Memorandum of Association of the Company in accordance with the Companies Act, 2013.		

Signed this…………. day of………………………………. 2026.

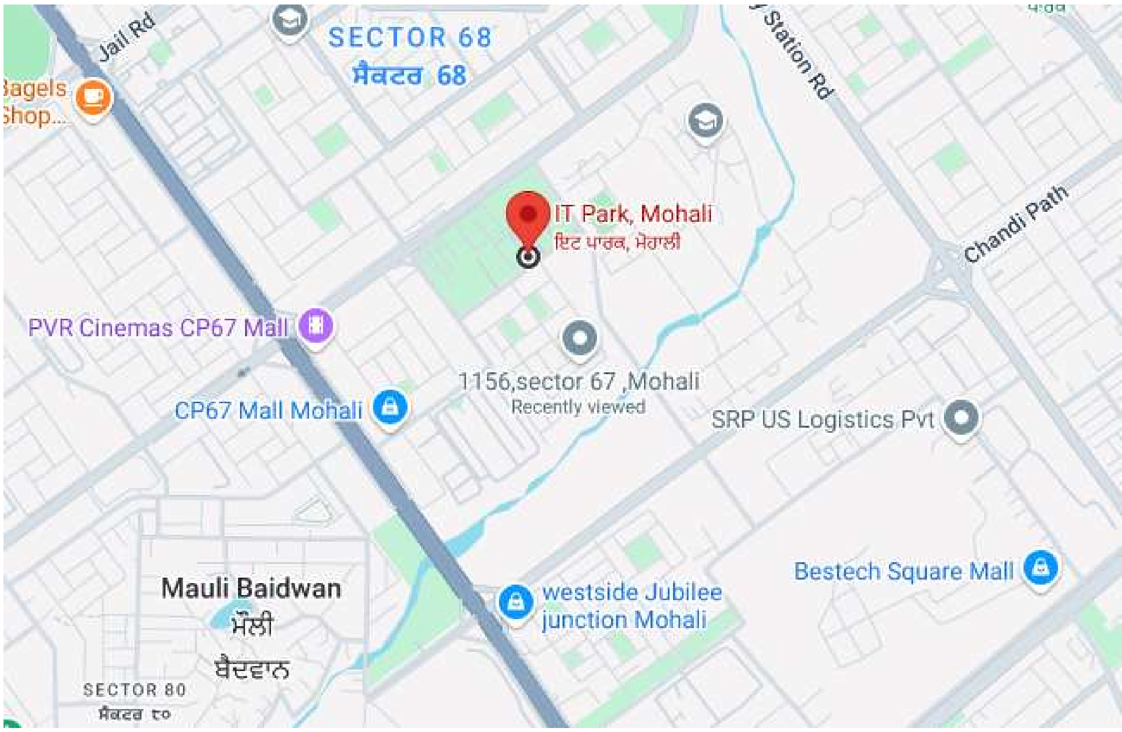
Affix revenue stamp Rs. 1.00

Signature of shareholder………………………………………

Signature of Proxy holder(s) ………………………………………

Note:
This form of proxy in order to be effective should be duly completed and deposited at the corporate office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP FOR 36th ANNUAL GENERAL MEETING
Held at 6th floor, Plot Number 2, Sahibzada Ajit Singh Nagar, Sector 67 Road, Mohali-160055



DIRECTOR'S REPORT

We are pleased to present the 36th Director's Report of Arur Footwear Limited (formerly known as S R Industries Limited) ("the Company") together with the Audited Financial Statements for the financial year ended March 31, 2026.

As members are aware, the Company successfully emerged from the Corporate Insolvency Resolution Process (CIRP) pursuant to the Hon'ble NCLT, Chandigarh Bench order dated July 01, 2024, with Bazel International Limited (BIL) along with its associate promoters taking over as the Successful Resolution Applicant (SRA). Following the appointment of the reconstituted Board in November 2024, Financial Year 2025–26 marked the first complete year of operational stabilization, restructuring, and capital infusion under the new management.

This report outlines the Company's performance, key initiatives undertaken during the year, and our strategic plans moving forward. We remain committed to enhancing shareholder value and contributing positively to the economic landscape.

We extend our gratitude to all stakeholders, including employees, shareholders, creditors, and regulatory authorities, for their continued support and trust in the Company.

FINANCIAL PERFORMANCE

The standalone financial statements for the financial year ended 31st March, 2026, forming part of this Annual Report, have been prepared in accordance with Companies Act, 2013 ("the Act") and the relevant rules issued thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") and applicable Indian Accounting Standards:

		(Rs. in lakhs)
Particulars	**FY 2025-26**	**FY 2024-25**
Revenue from Operations	1.50	0.00
Other Income	8.46	0.84
Total Income of the company	**9.96**	**0.84**
Less: Depreciation/ Amortisation/ Impairment	0.00	0.00
Less: Finance Costs	12.03	2.14
Profit/(loss) before Exceptional items and Tax Expense	**(58.83)**	**(86.63)**
Add/(loss): Exceptional items	0.00	0.00
Profit /(loss) before Tax Expense	**(58.83)**	**(86.63)**
Less: Tax Expense (Current & Deferred)	0.00	(0.01)
Profit/(loss) for the year (1)	**(58.83)**	**(86.64)**
Other Comprehensive Income (2)	0.00	0.00
Total Comprehensive Income (1+2)	**(58.83)**	**(86.64)**

During the financial year under review, the Company continued to progress towards the revival and re-establishment of its business operations following its emergence from the CIRP. The Company commenced revenue-generating activities during the year, with revenue from operations of ₹1.50 lakh as compared to Nil in the previous financial year. The Company recorded total income of ₹9.96 lakh during FY 2025-26 as against ₹0.84 lakh in FY 2024-25.

The Company incurred finance costs of ₹12.03 lakh during FY 2025-26 as against ₹2.14 lakh in the previous financial year. Consequently, the Company reported a loss before tax of ₹58.83 lakh as compared to a loss before tax of ₹86.63 lakh in FY 2024-25.

The loss for the year stood at ₹58.83 lakh as against ₹86.63 lakh in the previous financial year, representing an improvement in the overall financial performance of the Company. There were no exceptional items or depreciation/amortisation/impairment expenses during the year under review.

As part of its revival strategy, the Company has focused on rebuilding its presence in the footwear market through the development and launch of new brands, strengthening its digital commerce capabilities and exploring opportunities aligned with changing consumer preferences.

The Company's first Direct-to-Consumer (D2C) footwear brand, “Pacalop”, was successfully launched during the year and is targeted primarily towards the youth segment. The brand is available through leading online marketplaces, including Amazon and Flipkart. The Board has noted positive initial consumer feedback, particularly with respect to product comfort and design, including from consumers in Tier 1 and Tier 2 cities.

The Company has also continued to develop its brand portfolio. “Arur”, positioned as a premium sneaker brand, was under the prototyping stage with branding finalised and packaging development underway. Further, “Navo”, the proposed school footwear brand, was under prototyping and testing for durability, comfort and applicable compliance standards.

The management remains focused on strengthening the Company's operating capabilities, developing its product portfolio, expanding its digital presence and establishing sustainable revenue streams. The Company believes that its renewed focus on contemporary footwear products and consumer-oriented brands will provide opportunities for future growth and enable it to progressively rebuild its market position.

Implementation of Resolution Plan & Share Capital Restructuring

Pursuant to the Resolution Plan approved by the Hon’ble NCLT, Chandigarh Bench vide order dated July 01, 2024, the Resolution Applicant (Bazel International Limited along with its associate promoters) fully remitted the required resolution funds. Consequently, the new management successfully took control of the Company, and the capital structure was fully restructured during the period under review.

As part of the approved Resolution Plan, the Company completed the allotment of **1,96,73,500 Equity Shares** of face value ₹10/- each to the Promoter & Promoter Group and Public shareholders. Consequent to this allotment, Bazel International Limited acquired a **50.10%** equity stake, officially becoming the Holding Company of Arur Footwear Limited.

The break-up of the capital allotment and resulting shareholding structure is set out below:

Sr. No.	Name	No. of holding	% of holding
Promoter and Promoter Group holding:			
1.	BAZEL INTERNATIONAL LIMITED	98,56,424	50.10
2.	SAM REALTOWN PRIVATE LIMITED	19,67,350	10.00
3.	AMS INFRASTRUCTURE PRIVATE LIMITED	17,70,615	9.00
4.	MASATYA TECHNOLOGIES PRIVATE LIMITED	35,21,556	17.90
5.	Mr. KAPIL GARG	5,90,205	3.00
6.	EXPERTPRO REALTY PRIVATE LIMITED	9,83,675	5.00
	Total	**1,86,89,825**	**95.00**
Public Holding:			
1.	Public Holding	9,83,675	5.00
	Total	**1,96,73,500**	**100.00**

CHANGE OF NAME OF THE COMPANY

During the year under review, the Company successfully emerged from the Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016, pursuant to the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal, Chandigarh Bench.

Pursuant to the implementation of the Resolution Plan and the consequent changes in the management, shareholding pattern and business strategy of the Company, the Board of Directors proposed the change of name of the Company from **"S R Industries Limited" to "Arur Footwear Limited"**, in line with the Company's renewed identity, business focus and future growth strategy.

The requisite approvals for the change of name were obtained, and the **Registrar of Companies ("ROC") approved the change of name on September 12, 2025**, pursuant to which a fresh Certificate of Incorporation was issued by the ROC reflecting the new name of the Company as **"Arur Footwear Limited"**.

The change of name did not involve any alteration in the Object Clause of the Memorandum of Association ("MOA"), and the Company continues to carry on its business activities in accordance with its existing objects. All other clauses of the MOA remain unchanged.

The change of name does not affect the existing rights, obligations, liabilities, contracts, agreements, arrangements or ongoing legal proceedings of the Company, all of which continue to remain valid and enforceable under the new name.

Subsequent to the change of name, the Company has initiated the necessary processes for updating its name and records with various regulatory authorities, statutory authorities, banks and other stakeholders, including obtaining updated **PAN and GST registrations/records**, wherever applicable. The Company has also updated its **letterheads, signage at the registered/corporate office and other relevant corporate and operational records** to reflect its new name, **"Arur Footwear Limited."**

STATUS OF LISTING APPROVAL AND PENDING NCLT DIRECTIONS

During the year under review, the Company completed the allotment of **1,96,73,500 Equity Shares** pursuant to the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") vide order dated **July 01, 2024**.

However, the corporate action for credit of the said allotted Equity Shares into the respective Demat accounts remains pending, subject to receipt of the requisite listing and trading approvals from **BSE Limited**. In this regard, BSE Limited, vide its communication dated **February 18, 2026**, observed that the relinquishment of a portion of the entitlement by the Successful Resolution Applicant ("SRA") does not explicitly form part of the Resolution Plan as originally approved by the Hon'ble NCLT and accordingly advised the Company to seek suitable directions/orders from the Hon'ble NCLT in this regard.

In compliance with the aforesaid communication of BSE Limited, the Company has filed an application before the Hon'ble NCLT, Chandigarh Bench, seeking necessary directions/clarifications in respect of the aforesaid matter. The Company is pursuing the matter with the concerned authorities and is taking all necessary steps for completion of the requisite formalities. The formal listing and trading approval from BSE Limited and the consequential corporate action for credit of the allotted Equity Shares into the respective Demat accounts will be undertaken upon receipt of the requisite order/directions from the Hon'ble NCLT and completion of the applicable regulatory and procedural requirements.

COMPANY OVERVIEW

Arur Footwear Limited (formerly known as S R Industries Limited) is a footwear manufacturing and trading company with a long-standing presence in the Indian footwear industry. The Company was admitted into the Corporate Insolvency Resolution Process (CIRP) on 21 December 2021 and subsequently emerged from the CIRP pursuant to the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench, vide order dated 01 July 2024. Bazel International Limited emerged as the Successful Resolution Applicant pursuant to the resolution process.

Following its emergence from the CIRP, the Company has been undertaking measures towards rehabilitation, restructuring and revival of its business operations. During the year under review, the Company continued its transition towards re-establishing its presence in the footwear market and developing new-age, consumer-focused business opportunities.

During the financial year, the Company also received approval from **BSE Limited for change of its name from "S R Industries Limited" to "Arur Footwear Limited", as communicated by BSE vide its notice dated 06 February 2026**, subject to compliance with applicable provisions of the Companies Act, 2013 and other statutory requirements. The change in name reflects the Company's renewed strategic focus on the footwear business and its efforts towards rebuilding its brand identity and market presence.

The Company has adopted a consumer-centric and digital-first approach as part of its business revival strategy, with a focus on developing contemporary footwear products, strengthening its brand portfolio and exploring scalable channels for reaching customers.

RE-ESTABLISHMENT OF FOOTWEAR BUSINESS AND BRAND DEVELOPMENT

As part of its strategic revival following its successful exit from the CIRP, the Company has recommenced its focus on the footwear business and has initiated various measures to rebuild its market presence.

Pacalop – D2C Footwear Brand

The Company successfully launched "Pacalop", its first Direct-to-Consumer (D2C) footwear brand, targeting the youth segment. The brand has been developed with a focus on contemporary designs, comfort, functionality and affordability, with particular emphasis on the preferences of younger consumers.

Pacalop is being promoted through a digital-first approach and is available on online marketplaces including Amazon and Flipkart. The Company has received positive initial consumer feedback regarding the comfort and design of its products, particularly from customers in Tier 1 and Tier 2 cities.

The management intends to closely monitor sales traction, customer feedback and market response and, based on such evaluation, undertake further development of the brand and product range.

Arur – Premium Sneaker Brand

The Company is developing "Arur" as a premium sneaker brand aimed at the contemporary and fashion-conscious consumer segment. During the year, the brand was at the prototyping stage, with its branding finalised and packaging development in progress.

The Company intends to develop Arur as a differentiated footwear brand with emphasis on product design, quality and contemporary consumer preferences.

Navo – School Footwear Brand

The Company is also developing “Navo” as a school footwear brand. During the year, the brand was at the prototyping stage, with product testing being undertaken for durability, comfort and applicable compliance standards.

The proposed brand is intended to address the requirements of the school footwear segment and form part of the Company's broader strategy of developing a diversified footwear portfolio.

BUSINESS DEVELOPMENT AND FUTURE OUTLOOK

The Company is progressively rebuilding its business operations following its emergence from the CIRP. Its current strategy is focused on strengthening the footwear business, developing its portfolio of brands, expanding digital and online sales channels and improving operational capabilities.

During the year, the Board also considered proposals relating to the Company's Una, Himachal Pradesh plant, including the feasibility of installing solar panels with a view to optimising energy costs and promoting sustainable energy practices. The management was advised to undertake a detailed feasibility assessment covering technical requirements, financial implications, applicable government incentives and vendor options.

The Board also considered the potential utilisation of approximately 5 acres of vacant land and available resources within the Company's Una plant premises for agricultural or allied activities, subject to appropriate technical, financial and environmental feasibility assessment.

The Company continues to focus on strengthening its management and governance framework. Ms. Nidhi Pathak was appointed as Company Secretary and Compliance Officer with effect from 12 August 2025. Subsequently, Mr. Mayank Ahuja was appointed as an Additional Director designated as Executive Director with effect from 28 May 2026, subject to approval of the members of the Company. The Board also reconstituted its Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

The Board further approved the appointment of Mr. Narender Singh as Internal Auditor of the Company for FY 2026-27, as part of the Company's continued focus on strengthening its internal control, audit and compliance framework.

The management remains optimistic about the Company's future prospects and is committed to implementing prudent and progressive strategies for strengthening operations, expanding its brand presence, improving financial performance and creating sustainable long-term value for all stakeholders.

RESERVES

During the financial year 2025–26, as the Company did not earn any profit, no amount was transferred to the reserves.

CASH AND CASH EQUIVALENTS

As on 31st March, 2026, the Company is having cash and cash equivalents balance of Rs. 4.94/- lakhs.

NET WORTH OF THE COMPANY

As at March 31, 2026, the Net worth of the Company stood at **₹11.48 lakh**.

DIVIDEND

As thfie Company is yet to resume its operations and requires a considerable amount of expenditure to be incurred for the same, the management after considering holistically the relevant circumstances and keeping in view the Company's financial position has decided not to recommend any dividend for financial year 2025-26.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year ended **31st March, 2026** and the date of this Report, except as stated below:

1. Payment of SOP Fines and Proceedings before Hon'ble SAT

The Company has paid SOP fines amounting to **₹26.07 lakh** in respect of certain listing compliance defaults, under protest. The Company has initiated appropriate proceedings before the **Hon'ble Securities Appellate Tribunal (SAT), Mumbai Bench**, seeking appropriate relief, including waiver/refund of the amount so paid. The matter is presently pending adjudication. The outcome of the proceedings and the consequential financial impact, if any, shall be accounted for in accordance with the orders/directions passed by the competent authority.

2. Proposed Alteration of Object Clause of the Memorandum of Association

Subsequent to the end of the financial year, the Board of Directors of the Company approved, subject to the approval of the Members and such other statutory and regulatory approvals as may be required, the proposal for structural alignment of the Object Clause of the Memorandum of Association of the Company in accordance with the Companies Act, 2013. The proposal is being placed before the Members for their approval at the ensuing **36th Annual General Meeting** of the Company.

3. Proposed Shifting of Registered Office from the State of Punjab to the State of Himachal Pradesh

Subsequent to the end of the financial year, the Board of Directors of the Company approved, subject to the approval of the Members and such other statutory and regulatory approvals as may be required under applicable law, the proposal for shifting of the **Registered Office of the Company from the State of Punjab to the State of Himachal Pradesh**, with the proposed Registered Office at **Village Singha, Tehsil Haroli, District Una, Himachal Pradesh**. The proposal is being placed before the Members for their approval at the ensuing **36th Annual General Meeting** of the Company. The proposed shift is intended to facilitate better administrative coordination with the Company's manufacturing and operational activities in Himachal Pradesh.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company during the year under review.

CHANGES IN CAPITAL STRUCTURE

During the financial year under review, **there was no change in the Issued, Subscribed and Paid-up Share Capital of the Company**.

Pursuant to the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench, and its implementation, the Company had allotted **1,96,73,500 equity shares on February 4, 2025**, in accordance with the terms of the approved Resolution Plan. Accordingly, the **Issued, Subscribed and Paid-up Share Capital** of the Company as on **March 31, 2026**, stood at **₹19,67,35,000/-**, comprising **1,96,73,500 equity shares of ₹10/- each**, fully paid-up.

The aforesaid allotment was made to the **Promoter & Promoter Group and the Public** in the following manner:

- **95%**, comprising **1,86,89,825 equity shares**, were allotted to the **Promoter & Promoter Group**; and
- **5%**, comprising **9,83,675 equity shares**, were allotted to the **Public**.

The aforesaid allotment constituted the **post-CIRP restructuring of the Company's equity share capital** in accordance with the terms of the Resolution Plan. **No further change in the Issued, Subscribed and Paid-up Share Capital of the Company took place during the financial year ended March 31, 2026**, and the aforesaid capital structure continued to remain in force as at March 31, 2026.

AUTHORISED CAPITAL OF THE COMPANY

Equity Share Capital

As on March 31, 2026, the Authorised Equity Share Capital of the Company stood at ₹21,50,00,000/-, comprising 2,15,00,000 Equity Shares of ₹10/- (Rupees Ten Only) each.

Preference Share Capital

As on March 31, 2026, the Authorised Preference Share Capital of the Company stood at ₹15,00,00,000/-, comprising 15,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹100/- (Rupees One Hundred Only) each.

Issued and Paid-up Equity Share Capital

As on March 31, 2026, the Issued, Subscribed and Paid-up Equity Share Capital of the Company stood at ₹19,67,35,000/-, comprising 1,96,73,500 Equity Shares of ₹10/- (Rupees Ten Only) each.

HOLDING, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Holding Company

The Company underwent the Corporate Insolvency Resolution Process ("CIRP") pursuant to the order of the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, and the Resolution Plan was subsequently approved by the Hon'ble NCLT.

Pursuant to the implementation of the approved Resolution Plan, **Bazel International Limited**, along with its associate promoters, emerged as the Successful Resolution Applicant and assumed management and control of the Company.

In accordance with the terms of the approved Resolution Plan, the Company allotted **98,56,424 equity shares out of the 1,96,73,500 equity shares**, representing **50.10% of the paid-up equity share capital of the Company**, to Bazel International Limited. Consequently, **Bazel International Limited became the Holding Company of the Company**, and the Company became its subsidiary.

The change in management and control pursuant to the implementation of the Resolution Plan has provided the Company with a renewed strategic direction and opportunities for future growth.

Subsidiaries, Associates and Joint Ventures

As on March 31, 2026, the Company does not have any subsidiary, associate or joint venture company. Accordingly, there are no particulars of subsidiaries, associates or joint ventures requiring disclosure in Form AOC-1 pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014.

RELATED PARTY TRANSACTIONS

The Related Party Transactions entered into during the year were reviewed by the **Audit Committee and the Board of Directors** in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder. **The said transactions were entered into in the ordinary course of business and on an arm's length basis.** The Company has maintained appropriate records and disclosures in respect of such transactions.

The particulars of contracts or arrangements with related parties, wherever applicable and required to be disclosed pursuant to **Section 134(3)(h) of the Companies Act, 2013 read with Section 188 and Rule 8(2) of the Companies (Accounts) Rules, 2014**, are provided in **Form AOC-2, annexed as Annexure 'A'** to this Report.

The disclosures are made in accordance with the applicable statutory and regulatory requirements.

INTERNAL FINANCIAL CONTROLS

The Company has adequate **Internal Financial Controls with reference to the Financial Statements**, commensurate with the size and nature of its business. The Company has implemented appropriate policies and procedures to ensure proper safeguarding of assets, accuracy of accounting records, prevention and detection of frauds and errors, and timely financial reporting.

The Board of Directors, through the **Audit Committee**, periodically reviews the adequacy and effectiveness of such controls and takes necessary corrective measures, wherever required.

DIRECTOR AND KEY MANAGEMENT PERSONNEL ("KMP")

As on **March 31, 2026**, the Board of Directors of the Company comprised five Directors, consisting of one Managing Director, one Executive Director and three Independent Directors, including a Woman Independent Director. The composition of the Board is in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

The Board possesses an appropriate mix of knowledge, skills, experience and competencies relevant to the Company's business and future growth objectives. The key skills, expertise and competencies of the Directors are provided in the **"Board of Directors"** section of this Annual Report.

APPOINTMENT / REAPPOINTMENT OF DIRECTORS AND KMPs

Director Retiring by Rotation

Pursuant to Section 152(6) of the Companies Act, 2013, read with the Articles of Association of the Company, Mr. Manish Kumar Gupta (DIN: 05331936), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board has recommended his re-appointment for consideration and approval of the Members.

Appointment / Change in Directors

Mr. Mayank Ahuja was appointed as an **Additional Director (Executive, Non-Independent Director** of the Company with effect from May 28, 2026, subject to requisite approvals, to hold office up to the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

Subsequent, the Board of directors of the Company approved the continuation of the Appointment of Mr. Mayank Ahuja (DIN: 10388943) as an Additional Director (Executive, Non-Independent Director) of the Company w.e.f. July 17, 2026, subject to the approval of the shareholders, in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 17(1C) of the SEBI Listing Regulations.

Appointment and Resignation of KMPs

Ms. Nidhi Pathak (ACS 31973) was appointed as the Company Secretary and Compliance Officer of the Company and designated as a Key Managerial Personnel with effect from August 12, 2025.

Mr. Shivam Sharma, Company Secretary and Compliance Officer, resigned from the said position with effect from July 11, 2025, due to personal reasons.

INDEPENDENT DIRECTORS

As on **March 31, 2026**, the Company had the following Independent Directors:

1. Ms. Deepti Datta (DIN: 10842930)
2. Mr. Deepak Logani (DIN: 10842487)
3. Mr. Sanjeev Kumar Sapra (DIN: 10842495)

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence prescribed under **Section 149(6) of the Companies Act, 2013** and the applicable provisions of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs ("IICA"), as applicable.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence prescribed under the applicable laws and are independent of the management of the Company.

KEY MANAGERIAL PERSONNEL

As on the date of this Report, the Key Managerial Personnel of the Company are:

- Mr. Pankaj Dawar – Managing Director
- Mr. Manish Kumar Gupta – Chief Financial Officer
- Ms. Nidhi Pathak – Company Secretary & Compliance Officer

FAMILIARISATION PROGRAMME

In terms of Regulation 25(7) of the Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. Sessions are conducted in the meetings of the Board and its various Committees on the relevant subjects such as strategy, Company's performance, financial performance, internal financial controls, risk management, plant's performance, retail, products, finance, human resource, capital expenditure, CSR, statutory and regulatory Compliances etc. All efforts are made to keep the Independent Directors aware of major developments being taken place in the industry, the Company's business model and relevant changes in the law governing the Company's business and the related link of the familiarisation programme is https://www.arurfootwear.co.in.

DETAILS OF BOARD MEETINGS

During the financial year **2025-26**, the Board of Directors of the Company met **10 (Ten) times**. The details of the Board Meetings, including the dates and attendance of the Directors, are provided in the **Report on Corporate Governance**, forming part of this Annual Report.

The gap between two consecutive meetings of the Board was within the prescribed limits under the **Companies Act, 2013**, the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, and **Secretarial Standard-1 (SS-1)** issued by the Institute of Company Secretaries of India ("ICSI").

Following the implementation of the Resolution Plan and the constitution of the new Board in **November 2024**, the Board duly convened meetings during the financial year and carried out its functions in accordance with the applicable statutory and regulatory requirements.

COMMITTEES OF THE BOARD

During FY25-26, the Board had 3 (three) statutory Committees, namely:

i) Audit Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders' Relationship Committee;

All the recommendations made by the Committees of the Board, including the Audit Committee, were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms & reference of various Board Committees, number of Board & Committee meetings held during FY25-26 and attendance of the Directors is provided in the Report on Corporate Governance, which forms part of the Annual Report.

Reconstitution of Committees (w.e.f. May 28, 2026) The Board of Directors at its meeting held on **May 28, 2026**, approved the reconstitution of the Board Committees as under:

1. Audit Committee

- **Mr. Sanjeev Kumar Sapra** – Chairperson (Independent Director)
- **Mrs. Deepti Datta** – Member (Independent Director)
- **Mr. Pankaj Dawar** – Member (Executive Director)

2. Nomination and Remuneration Committee

- **Mr. Sanjeev Kumar Sapra** – Chairperson (Independent Director)
- **Mrs. Deepti Datta** – Member (Independent Director)
- **Mr. Deepak Logani** – Member (Independent Director)

3. Stakeholders' Relationship Committee

- **Mr. Sanjeev Kumar Sapra** – Chairperson (Independent Director)
- **Mrs. Deepti Datta** – Member (Independent Director)
- **Mr. Deepak Logani** – Member (Independent Director)

DECLARATION BY INDEPENDENT DIRECTORS

With regard to Integrity, Expertise and Experience (including the Proficiency) of the Independent Directors appointed/re-appointed during the FY25-26, the Board of Directors has taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that all the Independent Directors are individuals of integrity and possess relevant expertise & experience and their continued association as Directors will be of immense benefit in the best interest of the Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to Section 178(3) of the Act, your Company has framed a policy on Directors' appointment and remuneration and other matters ("Remuneration Policy") which is available on the website of your Company. The Remuneration Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying the persons who are qualified to become the Directors.

Your Company's Remuneration Policy is directed towards rewarding performance based on review of achievements. The Remuneration Policy is in consonance with existing industry practice.

BOARD DIVERSITY

Your Company recognises and embraces the importance of a diverse Board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to the diversity of the Board. The said Policy is available on your Company's website https://www.arurfootwear.co.in/files/policies/policy_18.pdf.

SUCCESSION PLAN

Your Company has an effective mechanism for succession planning which focuses on orderly succession of Directors, Key Management Personnel and Senior Management. The NRC implements this mechanism in concurrence with the Board.

BOARD EVALUATION

The Board of directors have carried out an evaluation of its own performance and of its committees as well as its individual directors, on the basis of criteria such as composition of the board / committee structure, effectiveness, its process, information flow, functioning etc.

PERFORMANCE EVALUATION OF THE BOARD

The Company follows a structured assessment process for the evaluation of the performance of the Board, the Committees of the Board, and the individual performance of each Director. The performance evaluation of the Board is carried out by considering various parameters such as the composition of the Board, the process of appointment to it, the common understanding amongst Directors of their roles and responsibilities, the timeliness and content of Board papers, the strategic directions provided, and the quality of advice and decision-making, etc.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for directors and employees of the company to enable them to report their genuine concerns, if any. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the SEBI Listing Regulations and the said policy is available on the company's website https://www.arurfootwear.co.in/

CORPORATE SOCIAL RESPONSIBILITY

The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable as the Company is not covered under the criteria mentioned in Section 135(1) of the Companies Act, 2013.

RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Board reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization. The Board nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company does not fall under the purview of the disclosure of Business Responsibility and Sustainability Report under the Regulation 34 (2)(f) of SEBI Listing Regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT U/S 186

Details of loans, guarantees and investments covered under Section 186 of the Act including purpose thereof form part of the notes to the financial statements provided in this Annual Report.

ANNUAL RETURN

Annual Return in Form MGT-7 is available on the company's web site and the link for the same is https://www.arurfootwear.co.in/.

SUSPENSION OF TRADING OF SECURITIES

The equity shares of the Company are currently suspended from trading on BSE Limited, and trading has remained suspended since the end of December 2024.

As reported previously, the Company underwent the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016. Pursuant to the Resolution Plan approved by the Hon'ble NCLT, Chandigarh Bench vide order dated July 01, 2024, significant capital restructuring was undertaken:

1. **Extinguishment of Old Promoter Shares**: The fully paid-up equity shares held by the erstwhile promoters were completely cancelled and extinguished, effectively terminating their ownership and control in the Company.

2. **Re-allocation & New Share Capital Structure**: The capital structure was reconstituted through the allotment of 1,96,73,500 Equity Shares of ₹10/- each, completed by the Board of Directors at its meeting held on February 04, 2025, as under:
   - Promoter & Promoter Group (SRA): 1,86,89,825 Equity Shares (95.00% of total capital)
   - Public Shareholders: 9,83,675 Equity Shares (5.00% of total capital, reallocated on a proportionate basis)

Suspension of ISIN & Pending Corporate Actions

Pending receipt of the final NCLT directions and subsequent BSE listing approval, the Company's ISIN remains suspended by the depositories (CDSL & NSDL). Consequently, the formal corporate action for crediting the newly allotted dematerialized shares into the respective accounts of the allottees remains pending.

CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT (RTA)

To enhance the efficiency of investor and shareholder services, the Board approved the appointment of M/s Skyline Financial Services Private Limited as the Registrar and Share Transfer Agent ("RTA") of the Company, in place of M/s MUFG Intime India Private Limited, with effect from July 10, 2025.

The formal transition of RTA-related records and activities is in progress, pending completion of the necessary regulatory and corporate actions in connection with the Company's listing and ISIN status. M/s MUFG Intime India Private Limited continues to provide interim registry services based on the records available with it, until completion of the transition to the new RTA.

The Company is actively pursuing the pending matters before the Hon'ble NCLT, Chandigarh Bench, and is taking all necessary steps to obtain the requisite directions/orders, complete the pending corporate actions and facilitate the restoration of listing and trading of the Company's securities on BSE Limited.

SHARE TRANSFER SYSTEM

The equity shares of the Company are compulsorily traded in dematerialised form on BSE Limited. The share transfer system, statutory registry functions, dematerialisation and other registry-related activities of the Company are entrusted to its Registrar and Share Transfer Agent (RTA), **M/s MUFG Intime India Private Limited** *(formerly Link Intime India Private Limited)*.

Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transfer of securities in physical form has been discontinued. However, due to the **suspension of the Company's ISIN**, share transfer, dematerialisation, demat credit, transmission, transposition and other related securities transactions are **presently not being processed**.

The aforesaid activities shall be undertaken upon activation of the ISIN and completion of the requisite regulatory and corporate formalities. The Stakeholders' Relationship Committee continues to oversee the investor servicing and registry-related matters of the Company.

HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operation of the Company.

With the Company progressing towards the commencement and expansion of its manufacturing operations, it is expected that the workforce will be strengthened progressively. The Company proposes to recruit and deploy additional personnel, including skilled, semi-skilled and support staff, as required for the smooth and efficient functioning of its manufacturing facilities. The Company will continue to focus on attracting suitable talent, strengthening employee capabilities and creating a conducive work environment to support its operational and business objectives.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT 2013

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up as required under the

Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, inter-alia, to redress complaints received regarding sexual harassment. All employees (permanent, Contractual, temporary, trainees) are covered under this policy. The Company has not received any sexual harassment complaints during the year 2025-26 and hence no complaint is outstanding as on March 31, 2026.

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Board wishes to inform that the Company is in compliance with the provisions of the Maternity Benefit Act, 1961, to the extent applicable. The Company remains committed to upholding employee welfare and providing a safe and inclusive work environment for all. The Company shall continue to adhere to all applicable statutory requirements as and when they become applicable.

EMPLOYEE DIVERSITY AND GENDER REPRESENTATION

The Company acknowledges the strategic value of workforce diversity, inclusion, and equal opportunity in the workplace.

The Board recognizes that a balanced and diverse workforce drives innovative perspectives and sound corporate governance. The Company remains committed to fostering an inclusive work environment, ensuring fair recruitment practices, and actively exploring opportunities to enhance gender diversity and equitable representation across all organizational cadres in future growth phases.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required to be given under section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure 'B'** forming part of this Board Report.

DISCLOSURE UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is hereby confirmed that during the financial year 2025–26, no employee of the Company was in receipt of remuneration exceeding ₹1.02 crore per annum or ₹8.50 lakh per month, as applicable.

Further, no employee was in receipt of remuneration in excess of that drawn by the Managing Director or Whole-time Director and, at the same time, held, either individually or together with his/her spouse and dependent children, not less than 2% of the equity shares of the Company.

Particulars of Employees

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requisite disclosures relating to remuneration and other particulars of Directors, Key Managerial Personnel and employees are provided in **Annexure 'C'** to this Report.

CREDIT RATING

During the year under review, no credit rating was conducted for the Company.

CYBER SECURITY

In view of the increasing number of cyberattack scenarios, the Company periodically reviews its cyber security maturity and continuously enhances its processes and technology controls in line with emerging threats. The Company's technology environment is equipped with real-time security monitoring and has appropriate controls implemented across various layers, including end-user devices, networks, applications, and data.

During the year under review, the Company did not experience any cyber security incidents, breaches, or data loss.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year under review, the Company had no material foreign exchange exposure, as there were no imports, foreign currency expenditure or foreign currency earnings. The Company does not undertake any hedging activities through derivative instruments in respect of commodity price or foreign exchange risks. The prescribed disclosure under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/141 dated November 15, 2018, is therefore not applicable.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Krishan Rakesh & Co., Chartered Accountants (Firm Registration No. 009088N; Peer Review Certificate No. 016602) were appointed as the Statutory Auditors of the Company by the members at the Annual General Meeting held on December 30, 2024, for a term of five consecutive years, commencing from the financial year 2024–25 and continuing until the conclusion of the Annual General Meeting to be held in the year 2029.

The appointment was made pursuant to the recommendation of the Audit Committee and the Board of Directors, in accordance with the applicable provisions of the Companies Act, 2013. The Statutory Auditors have confirmed their eligibility and consent for the appointment and that they satisfy the applicable criteria prescribed under the Companies Act, 2013.

The Statutory Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2026, forms part of the Annual Report. The observations, if any, made by the Statutory Auditors in their Report are self-explanatory and do not call for any further comments from the Board.

COST RECORDS

The maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 is not applicable to the Company for the financial year 2025-26. Accordingly, the Company is not required to maintain such cost records.

COST AUDITOR

During the year 2025-26, there is no requirement to appoint Cost Auditor.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Meenu G. & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditor of the Company for a term of five consecutive financial years commencing from April 01, 2025 and ending on March 31, 2030, pursuant to the approval accorded by the members at the Annual General Meeting held on August 21, 2025.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2025–26 is annexed to this Report as **Annexure 'D'**. The said Report does not contain any qualification, reservation, adverse remark or disclaimer requiring any explanation or comments from the Board.

M/s. Meenu G. & Associates hold a valid Peer Review Certificate and have confirmed their eligibility and consent to continue as the Secretarial Auditor of the Company in accordance with the applicable provisions of the Companies Act, 2013, the Rules made thereunder and the SEBI Listing Regulations.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the Company has appointed Mr. Narender Singh as the Internal Auditor of the Company to conduct the internal audit for the financial year 2026–27.

Mr. Narender Singh is duly qualified and eligible to act as the Internal Auditor and possesses the requisite professional qualifications and relevant experience in the areas of internal audit, risk management and internal controls. His appointment is aimed at strengthening the Company's internal audit framework and enhancing its internal controls, risk management and compliance processes.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Companies Act, 2013, requiring disclosure under Section 134(3)(ca) of the Act.

CORPORATE GOVERNANCE

A separate report on corporate governance, along with a certificate from the Practicing Company Secretary regarding the compliance of conditions of corporate governance norms as stipulated under SEBI Listing Regulations is annexed as **Annexure 'E'** and forms part of the Annual Report. All Board members and Senior Management Personnel have affirmed in writing their compliance with and adherence to the code of conduct adopted by the Company for FY 2025-26.

OTHER DISCLOSURES

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Pursuant to Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, there were no significant and material orders passed by any Regulators, Courts or Tribunals during the financial year 2025–26 which would impact the going concern status of the Company or its future operations.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, no amount/shares is underlying for transferring to IEPF.

DEPOSIT

During the year, the Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act, read with the (Companies Acceptance of Deposits) Rules, 2015 and as such, no amount on account of principal or interest related thereto was outstanding as on date of the Balance Sheet i.e. March 31, 2026.

COMPLIANCE WITH SECRETARIAL STANDARD ON BOARD AND GENERAL MEETINGS

During the period under review, the Company has complied to the extent as applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

DETAILS OF APPLICATION MADE OR PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Pursuant to Rule 8(5)(xi) of the Companies (Accounts) Rules, 2014, the Company had undergone Corporate Insolvency Resolution Process ("CIRP") pursuant to the order of the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, dated December 21, 2021 in CP (IB) No. 198/Chd/Pb/2019.

The Resolution Plan submitted by Bazel International Limited was approved by the Hon'ble NCLT, Chandigarh Bench, vide order dated July 01, 2024. Accordingly, the CIRP of the Company stood concluded and the Company is presently implementing the terms and conditions of the approved Resolution Plan.

As at March 31, 2026, there is no fresh application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, other than matters arising in connection with the implementation of the approved Resolution Plan.

THE AMOUNT OF VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS

During the financial year under review, there was no one-time settlement entered into by the Company with any Bank or Financial Institution. Accordingly, the disclosure regarding the difference between the amount of valuation done at the time of one-time settlement and the valuation done while taking loans from Banks or Financial Institutions, along with the reasons for such difference, as required under Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014, is not applicable to the Company for the financial year 2025–26.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Neither Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report and is annexed herewith as **Annexure 'F'**.

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied in such statements. Important factors that could affect the Company's operations and performance include changes in raw material prices and availability, demand and market conditions, competition, changes in government policies and regulations, economic developments and other factors beyond the control of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors, to the best of their knowledge and belief and based on the information and explanations received by them, confirm that:

a. in the preparation of the annual financial statements for the financial year ended March 31, 2026, the applicable accounting standards have been followed and there are no material departures therefrom;

b. the Directors have selected such accounting policies and applied them consistently and made judgments 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, 2026 and of the loss of the Company for the financial year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual financial statements on a going concern basis;

e. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPRECIATION AND ACKNOWLEDGEMENT

The Directors take this opportunity to express their sincere gratitude to the Central and State Governments, regulatory authorities, Stock Exchanges, Banks and Financial Institutions, shareholders, lenders, depositories, Registrar and Share Transfer Agent, business associates and all other stakeholders for their continued support and cooperation.

The Directors also place on record their sincere appreciation for the dedication, commitment and valuable contribution of the employees at all levels of the Company. Their continued efforts and support have contributed to the Company's operations and its ongoing growth and revival.

The Directors sincerely thank the shareholders for their continued confidence and support and look forward to their continued association with the Company in the years ahead.

For and on behalf of the Board

Date: 03.09.2026
Place: New Delhi

Pankaj Dawar
Chairman & Managing Director
DIN: 06479649

ANNEXURES TO DIRECTORS' REPORT

Annexure 'A'

Form No. AOC-2: Material Related Party Transactions

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arm's length basis during the FY ended March 31, 2026: Nil

B. Details of material contracts or arrangements or transactions at arm's length basis during the FY ended March 31, 2026: Nil

For and on behalf of the Board

Pankaj Dawar
Chairman & Managing Director
DIN: 06479649
Date: 03.09.2026
Place: New Delhi

Annexure 'B'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

The manufacturing operations of the Company remained non-operational during the financial year under review. Accordingly, no significant measures for conservation of energy or capital investment in energy conservation equipment were undertaken during the year.

The Company is in the process of recommencing its manufacturing operations. The factory licence has been renewed and the Company is in the process of obtaining the requisite statutory approvals and No Objection Certificates, including those relating to pollution control and fire safety, following which the electricity connection and manufacturing operations are proposed to be restored/recommenced, subject to receipt of the necessary approvals.

B. TECHNOLOGY ABSORPTION

As the manufacturing operations remained non-operational during the year, no significant technology absorption, adaptation or innovation activities were undertaken. The Company proposes to evaluate appropriate technology and process improvements, including energy-efficient equipment and processes, as and when the manufacturing operations are recommenced.

c) Foreign Exchange Earnings and Outgo:

i) Total foreign exchange earned during the financial year: Nil

ii) Total foreign exchange outgo during the financial year: Nil

For and on behalf of the Board

Pankaj Dawar
Chairman & Managing Director
DIN: 06479649
Date: 03.09.2026
Place: New Delhi

Annexure 'C'

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following disclosures are made:

A. Details pursuant to Rule 5(1)

(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 and percentage increase/decrease in remuneration of each Director, Chief Financial Officer and Company Secretary:

Sr. No.	Directors	Designation	Ratio of remuneration to median remuneration	% increase/ (decrease) in remuneration
1	Mr. Pankaj Dawar	Managing Director	NIL	NIL
2	Mr. Manish Kumar Gupta	Director & CFO	NIL	NIL
3	Ms. Deepti Datta	Independent Director	NIL	NIL
4	Mr. Deepak Logani	Independent Director	NIL	NIL
5	Mr. Sanjeev Kumar Sapra	Independent Director	0.064:1	NIL
6	Mr. Shivam Sharma (resigned w.e.f. 11th July 2025)	Company Secretary & Compliance Officer	Not Applicable	Not Applicable
7	Ms. Nidhi Pathak (appointed w.e.f. 12th August, 2025)	Company Secretary & Compliance Officer	Not Applicable	Not Applicable

Note: During the financial year 2025-26, no remuneration was paid to the Managing Director or other Directors of the Company, except sitting fees paid to Mr. Sanjeev Kumar Sapra, Independent Director. Accordingly, the ratio of remuneration to median remuneration is Nil for the Directors who did not receive any remuneration. The ratio for Mr. Sanjeev Kumar Sapra shall be calculated based on the sitting fees actually paid during the financial year i.e. ₹12,000/- divided by the median remuneration of the employees of the Company.

The percentage increase/decrease in remuneration has been disclosed based on the remuneration actually paid during the relevant financial years. In the case of newly appointed or resigned Key Managerial Personnel, where comparable remuneration for the immediately preceding financial year is not available, the percentage increase/decrease is stated as "Not Comparable" or "Not Applicable".

(ii) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

During the financial year 2025-26, there was no increase in remuneration of the Directors of the Company. Mr. Shivam Sharma, Company Secretary & Compliance Officer, resigned from the Company with effect from 11 July 2025 and Ms. Nidhi Pathak was appointed as

Company Secretary & Compliance Officer with effect from 12 August 2025. Since the respective appointments/tenures do not provide a comparable basis with the immediately preceding financial year, the percentage increase/decrease in remuneration is not comparable/not applicable, as the case may be.

(iii) Percentage increase in the median remuneration of employees in the financial year:

The median remuneration of employees of the Company during the financial year 2025-26 was **₹1,86,566.50** as compared to **₹1,65,500** during the financial year 2024-25, representing an increase of **12.73%**.

(iv) Number of permanent employees on the rolls of the Company:

The number of permanent employees on the rolls of the Company as on 31 March 2026 was 10.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration during the financial year 2025-26:

- Average increase in remuneration of employees other than managerial personnel: **Nil**
- Increase in remuneration of managerial personnel: **Nil**

There were no exceptional circumstances warranting any increase in managerial remuneration during the financial year.

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

t is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees of the Company during the financial year 2025-26 is in accordance with the Nomination and Remuneration Policy of the Company.

B. Particulars of Employees pursuant to Rule 5(2) and Rule 5(3)

The following are the details of the top ten employees of the Company in terms of remuneration drawn during the financial year 2025-26:

S. N.	Name	Designation	Qualification	Remuneration (Rs. in Lakhs)	Nature of Employment	Date of Employment	Last Employment Held Before Joining the Company	Equity Shares Held	Relationship with Director
1	Nidhi Pathak	Company Secretary	CS	13.25	Permanent	12.08.25	Mohindra Fasteners Limited	NA	NA
2	Mayank Ahuja	Founder and Creative	MBA	7.20	Permanent	01.09.24	NA	NA	NA

S. N.	Name	Designation	Qualification	Remuneration (Rs. in Lakhs)	Nature of Employment	Date of Employment	Last Employment Held Before Joining the Company	Equity Shares Held	Relationship with Director
		Director							
3	Rohit Ahuja	Senior Manager	Post-graduation	4.20	Permanent	08.09.24	NA	NA	NA
4	Shivam Sharma	Company Secretary	CS	3.57	Permanent	11.11.24 resigned w.e.f. 11.07.25	Mohit Paper Mills Limited	NA	NA
5	Rampal	Service Manager	Intermediate	1.92	Permanent	01.10.24	NA	NA	NA
6	Vivek Singh	Senior Accountant	B.Com	1.81	Permanent	26.02.25 Resigned w.e.f. 09.08.2025	NA	NA	NA
7	Manmohan Singh	Security Manager	Intermediate	1.56	Permanent	01.10.24	NA	NA	NA
8	Avtar Singh	Asst. Manager	Intermediate	1.56	Permanent	01.10.24	--	NA	NA
9	Gungun	E-Commerce Executive	Graduation	0.74	Permanent	09.12.2025	--	NA	NA
10	Ashmita	PR Executive	Post Graduate	0.26	—	27.11.2025 resigned w.e.f. 21.01.26	-	NA	NA

ANNEXURE 'D'

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies [Appointment and Remuneration Personnel) Rules, 2014]

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

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Arur Footwear Limited (Formerly known as S. R. Industries Ltd.) (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner but subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (**Not Applicable during the period under review);**

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable during the period under review);**

(f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,2021 (**Not Applicable during the period under review);**

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021(**Not Applicable during the period under review);**

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable during the period under review);**

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable during the period under review);**

(j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable during the period under review);**

(vi) Specific Sectoral Laws Applicable to the Company:

- Factories Act, 1948;
- Industrial Disputes Act, 1947;
- The Environment (Protection) Act, 1986 and rules framed thereunder;
- The Bureau of Indian Standards (BIS) regulations applicable to Footwear Manufacturing.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2).
- The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above **subject to the following qualifications, observations, and key events:**

QUALIFICATIONS, OBSERVATIONS AND REMARKS:

1. **Pending Listing Approval, ISIN Activation, and Depositary Credit:**

The existing ISIN (INE329C01011) remains suspended, and the newly issued ISIN (INE329C01029) by the depository has not been activated due to pending listing approval from BSE Limited. However, the corporate action for credit of the said allotted Equity Shares into the respective Demat accounts remains pending, subject to receipt of the requisite listing and trading approvals from BSE Limited.

In this regard, BSE Limited, vide its communication dated February 18, 2026, observed that the relinquishment of a portion of the entitlement by the Successful Resolution Applicant ("SRA") does not explicitly form part of the Resolution Plan as originally approved by the Hon'ble NCLT and accordingly advised the Company to seek suitable directions/orders from the Hon'ble NCLT in this regard.

In compliance with the aforesaid communication of BSE Limited, the Company has filed an application before the Hon’ble NCLT, Chandigarh Bench, seeking necessary directions/clarifications in respect of the aforesaid matter. The Company is pursuing the matter with the concerned authorities and is taking all necessary steps for completion of the requisite formalities.

The formal listing and trading approval from BSE Limited and the consequential corporate action for credit of the allotted Equity Shares into the respective Demat accounts will be undertaken upon receipt of the requisite order/directions from the Hon’ble NCLT and completion of the applicable regulatory and procedural requirements.

2. Register of Members and AGM Notice Service Non-Compliance:

As a result of the pending listing approval and uncredited demat shares, the Register of Members of the Company has not been fully updated. Consequently, the Company is unable to send AGM notices individually via email to all beneficial owners and has relied on publishing notices in newspapers.

OTHER MATTERS AND KEY CORPORATE EVENTS:

- **Implementation of Approved Resolution Plan & Capital Restructuring:** Pursuant to the Resolution Plan approved by the Hon'ble NCLT vide order dated 01.07.2024 (under Section 30(6) read with Section 31(1) of the Insolvency and Bankruptcy Code, 2016), and following the reconstitution of the Board on November 22, 2024, the Company undertook steps toward rehabilitation during the period under review.
- **Allotment of Equity Shares Post-CIRP:** During the financial year ended March 31, 2026, the Company allotted 1,96,73,500 equity shares (1,86,89,825 shares [95%] to the Successful Resolution Applicant/new promoters, and 9,83,675 shares [5%] to public shareholders) in accordance with the approved resolution plan. Form PAS-3 was duly filed with the Registrar of Companies.
- **Pending Listing and Trading Approvals:** An application for listing and trading approval for the newly allotted 1,96,73,500 equity shares were submitted to BSE Limited and remains under process/review as on the date of this report.

I further report that:

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at Board Meetings and Committee Meetings are carried out unanimously or by majority, and dissenting members' views, if any, are captured and recorded as part of the minutes.

- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

For Meenu G & Associates
Company Secretaries

Meenu Gupta
Proprietor
Membership No. 52702 **Place: New Delhi**
COP No. 26274 **Date: 01.09.2026**
UDIN: A052702H001339218
PRN: 2443/2022

Notem: This Report is to be read with my letter of even date which is annexed as Annexure-1 and forms an integral part of this report.

Annexure 1

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

My Secretarial Audit Report for the financial year ended on 31st March 2026 of even date is to be read along with this letter.

i. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

ii. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.

iii. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

iv. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management.

vi. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Meenu G & Associates
Company Secretaries

Meenu Gupta
Proprietor
Membership No. 52702
COP No. 26274
UDIN: A052702H001339218
PRN: 2443/2022

Place: New Delhi
Date: 01.09.2026

Annexure 'E'

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

The Company firmly believes that Corporate Governance is a fundamental pillar that drives its growth and long-term success. It provides the framework for achieving the Company's objectives with a focus on transparency, accountability, integrity, and responsibility. The Company is committed to upholding the principles of good governance and to being a responsible corporate citizen, serving the best interests of all stakeholders and society at large.

To this end, the Company strives for transparency in all business operations, ensures timely and accurate disclosure of all material information in a comprehensible manner, treats all stakeholders fairly, and is guided by a professionally competent and accountable Board of Directors. Over the years, the Company has consistently followed best practices in Corporate Governance, in line with internal policies, and in compliance with the principles and guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable regulatory authorities. The Company has also adhered to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the implementation of the Corporate Governance Code as prescribed under Schedule V. The Directors are pleased to present the report on Corporate Governance as follows:

Board of Directors

The Board is the highest governing body, appointed by the shareholders, responsible for overseeing the overall functioning of the Company. It provides strategic direction, leadership, and guidance to the Company's management, while also monitoring the Company's performance with the objective of creating long-term value for its shareholders, people, and business partners.

Your Board of Directors closely monitor the performance of the Company and Management, approves the plans, reviews the strategy and strives to achieve organizational growth.

Your Board ensures statutory and ethical conduct and place high importance on the internal financial reporting. The primary role of the Board is that of trusteeship to protect and enhance shareholders value. The Board, as part and parcel of its functioning, annually reviews its role, evaluates its performance and also that of the Board Committees and the Directors.

Composition:

During the financial year under review, the Board composition is in conformity with Section 149 of the Companies Act, 2013 ("the Act") read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation). The Board of Directors ('Board') is constituted with optimum combination of Executive Director, Non-Executive Director, Independent Directors and Woman Director, as per the prevailing regulatory requirements. As on date of this Report, the Board of Directors of the Company consists of 5 Directors comprising of Two Executive Director (ED) and Three Non-Executive Independent Directors (NE-ID) of whom one is Woman Director. None of the Directors have an inter-se relationship and each one of them is independent of the other.

The Company is in compliance with the SEBI Listing Regulations.

Sr. No.	Name	Designation
1.	Pankaj Dawar	Managing Director
2.	Manish Kumar Gupta	Executive Director & CFO
3.	Deepti Datta	Non-Executive –Women Independent Director

4.	Sanjeev Kumar Sapra	Non-Executive -Independent Director
5.	Deepak Logani	Non-Executive -Independent Director

None of the Directors on the Board is a member of more than 10 (Ten) committees or a chairperson of more than 5 (Five) committees [as stipulated in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) across all the Indian Public Companies, in which he / she is a Director.

The annual disclosure providing the committee position and other Directorship has been made by the Directors.

Board Meetings and its Attendance:

The Board meetings are held at regular intervals to deliberate and decide routine, key and statutory matters. During the Financial Year ended March 31, 2026, the Board of Directors of the Company met 10(Ten) times. The intervening period between the Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013 (hereinafter referred as the "Act") and Regulation 17 of the Listing Regulations i,e, the time gap between the two Board meetings has not exceeded 120 days.

The details are as follows

Meeting Number	Date of Board Meeting	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
1	April 14, 2025	5	4	2
2	May 12, 2025	5	4	3
3	May 27, 2025	5	3	2
4	June 27, 2025	5	5	3
5	July 10, 2025	5	3	1
6	July 28, 2025	5	5	3
7	August 07, 2025	5	5	3
8	November 07, 2025	5	4	2
9	November 14 2025	5	3	1
10	February 13 2026	5	4	2

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2026 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all listed companies in which he / she is a Director (for the said purpose, the term Committee shall only include Audit Committee and Stakeholders' Relationship Committee in terms of Regulation 26 of the Listing Regulations). Also, none of the Directors serve as a Director in more than 7 (Seven) Listed Companies.

The composition of the Board during the Financial Year under review and position held by Directors on the Board / Committees of the Company as on March 31, 2026 along with their attendance at Board meetings and Annual General Meeting ("AGM") of the Company during the Financial Year under review are given below:

Sr. No.	DIN	Name of the Director and Category	No. of Board Meetings entitled to attend	No. of Board Meetings attended	Whether last AGM attended or not	Directorship in other listed Companies	Membership in committee in other listed co.*	Shareholding in the other listed Company	Directorship in other pubic company
1	06479649	Pankaj Dawar – Managing Director	10	10	Yes	Bazel International Ltd.	SRC RMC	2,89,000	Modvak Engineering Ltd.
2	05331936	Manish Kumar Gupta - Executive Director & CFO	10	8	Yes	-	-	-	-
3	10842930	Deepti Datta- Non Executive - Independent Director	10	9	Yes	-	-	-	-
4	10842495	Sanjeev Kumar Sapra- Non Executive - Independent Director	10	9	Yes	Captial Trade Links Ltd.	AC NRC SRC	-	Oneindig Technologies Ltd, & Snew Benefit Company
5	10842487	Deepak Logani - Non Executive - Independent Director	10	4	Yes	-		-	-

*AC- Audit Committee

NRC- Nomination and Remuneration Committee

SRC- Stakeholder Relationship Committee

RMC- Risk Management Committee

Skills/expertise competencies of the Board of Directors:

The following is the list of core skills/competencies identified by the Board as required in the context of your Company's business and that the said skills are available within the Board Members:

Skills	Business Leadership	Financial Expertise	Risk Management	Global Experience	Corporate Governance	Industry and Sector Experience	Management
Pankaj Dawar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Manish Kumar Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Deepti Datta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sanjeev Kumar Sapra	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Deepak Logani	Yes	Yes	Yes	NA	Yes	NA	Yes

Shareholding of Non-Executive Directors

As per the provisions of Regulation 18(1), Regulation 19(1), and Schedule V (Part C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of equity shares held by Non-Executive Directors (including Independent Directors) in the Company as on March 31, 2026, are as under:

Name of the Director	Category	No. of equity Shares held
Deepti Datta	Non-Executive Independent Director	Nil
Deepak Logani	Non-Executive Independent Director	Nil
Sanjeev Kumar Sapra	Non-Executive Independent Director	Nil

Note: None of the Non-Executive Directors hold any Convertible Instruments / Options of the Company as on March 31, 2026.

Familiarisation programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which Company operates. The independent directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. As a part of on boarding of independent directors during the year, they were familiarized about, inter alia, covering the following:

• Organisational structure
• Key highlights about the business and financials
• Risk management process
• Assurance framework Details of familiarization programmes for FY 2025-26 are placed on the Company’s website and can be accessed at https://www.arurfootwear.co.in/dur46

Independent Directors

The Independent Directors play a pivotal role in decision-making at the Board level. They bring objectivity and external perspective which helps in balanced judgements and upholds the interests of all stakeholders. Their independent oversight contributes to the Company’s sustainable growth and good governance. Based on the declarations received from all independent directors, the Board has confirmed that, in their opinion, independent directors of the Company are persons of integrity, possess relevant expertise and experience and fulfil the conditions specified in the Act and SEBI Listing Regulations and are independent of the management.

All Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment / re-appointment have been issued to the Independent Directors which inter-alia explains the role, function, duties and responsibilities as an Independent Director of the Company. The terms and conditions of their appointment/re-appointment are disclosed on the Company's website and can be accessed at https://www.arurfootwear.co.in/dur46

Declaration by Independent Directors

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

At the time of appointment and thereafter at the beginning of each financial year or whenever there is any change in the circumstances which may affect their status, the Independent Directors submit declaration confirming their independence and compliance with various eligibility criteria laid down by the Company among other disclosures and the Company also ensures that its Directors meet the aforesaid eligibility criteria. All such declarations are placed before the Board for its information.

In the opinion of the Board, it is confirmed that Independent Directors of the Company fulfil the conditions specified in the Act and Listing Regulations and are independent of the management.

Further, no Independent Director resigned before the expiry of his/her tenure during the year under review.

Meeting of Independent Directors

The Independent Directors meet separately at least once in a Financial Year, without the attendance of non-independent Directors and members / representatives of management of the Company. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Board.

During the Financial Year 2025-26, the Independent Directors of the Company met once on March 30, 2026.

Familiarization Program for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc., through various programs in compliance with the requirement of Listing Regulations, The Independent Directors inter-alia discuss the issues arising out of Committee meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation Criteria for Independent Directors

In terms of the requirement of the Act and SEBI (LODR) Regulations, the Board of Directors has made formal annual evaluation of its own performance, and that of its Committees and Individual

Directors (including Independent Directors) in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of every Director and the Board was evaluated after seeking inputs from all the Directors and the performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Board and its Committees include aspects like composition, effectiveness of processes and other measures. Performance of individual Directors was evaluated on parameters such as competency, contribution to the Board, independent judgement etc.

In a separate meeting of the Independent Directors of the Company held on 30th March, 2026, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated as stipulated under the SEBI Listing Regulations.

Remuneration Policy:
The remuneration policy shall be reviewed and revised periodically to ensure alignment with the Company's strategic objectives, industry best practices, and regulatory requirements.

A. Remuneration to Executive Directors: Pursuant to the provisions of Section 197 of the Companies Act, 2013 ("the Act"), read with Schedule V of the Act, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the remuneration payable to Executive Directors of the Company shall be governed by the following terms and conditions:
a. Quantum of Remuneration: The remuneration payable to Executive Directors shall be determined by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors, subject to the provisions of the Act and SEBI LODR.
b. Components of Remuneration: The remuneration payable to Executive Directors may comprise of the following components:
a. Basic Salary
b. Perquisites
c. Allowances
d. Commission (if any)
e. Stock Options (if any)
f. Other benefits
if board may thin fit, may change the components as the case may be.
c. Performance Criteria: The remuneration payable to Executive Directors shall be linked to their individual performance and the Company's financial performance.
d. Disclosure Requirements: The Company shall disclose the remuneration payable to Executive Directors in the Directors' Report and the Annual Report, as required under the Act and SEBI LODR.
e. Shareholder Approval: The remuneration payable to Executive Directors shall be subject to the approval of the shareholders of the Company, as required under the Act.
f. Central Government Approval: In cases where the remuneration payable to Executive Directors exceeds the limits prescribed under Schedule V of the Act, the Company shall obtain the prior approval of the Central Government.

B. Remuneration to Non-Executive Directors and Independent Directors:
i. Sitting Fees and Reimbursement of Expenses
a. The Non-Executive Directors and Independent Directors of the Company shall be entitled to receive sitting fees for attending Board meetings and Committee meetings, as applicable.
b. The quantum of sitting fees shall be determined by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors.

c. The Company shall reimburse the Non-Executive Directors and Independent Directors for their actual boarding and lodging expenses incurred while traveling for attending Board meetings or other official engagements on behalf of the Company.

ii. Ceiling/Limits on Remuneration
a. The remuneration payable to Non-Executive Directors and Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to the ceiling/limits prescribed under the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, and rules made thereunder or any other enactment for the time being in force.

iii. Compliance with Statutory Provisions
a. The Company shall comply with the provisions of the Companies Act, 2013, read with rules framed thereunder and Schedules thereto, and regulations mentioned under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, while paying remuneration to Non-Executive Directors and Independent Directors.

iv. Prohibition on Stock Options and Share-Based Payments
a. Independent Directors shall not be eligible to receive Stock Options or participate in any share-based payment schemes of the Company.

v. Professional Services
a. Any remuneration paid to Non-Executive Directors and Independent Directors for professional services rendered by them shall not be considered as part of their remuneration for the purposes of clause (b) above, subject to the following conditions:
b. The services are rendered by the Director in their professional capacity.
c. In the opinion of the NRC, the Director possesses the requisite qualification for the practice of that profession.

vi. Disclosure Requirements
a. The Company shall disclose the remuneration paid to Non-Executive Directors and Independent Directors in the Directors' Report and the Annual Report, as required under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C. Remuneration to Key Managerial Personnel, Senior Management Personnel and other Employee:

The Company shall determine the remuneration of Key Managerial Personnel, Senior Management Personnel, and other employees based on the following principles:

a. Negotiation and Consideration: The remuneration shall be negotiated with the prospective appointee, taking into account the size of the Company, the profile of the appointee, responsibility to be shouldered by him/her, and industry benchmarks.

b. Approval: The remuneration of Key Managerial Personnel and Senior Management Personnel shall be approved by the Nomination and Remuneration Committee (NRC) and/or the Board of Directors, as applicable, based on the guiding principles for determining remuneration stated above.

c. Remuneration Structure: The Key Managerial Personnel, Senior Management Personnel, and other employees of the Company shall be paid monthly and/or annual remuneration, as per the Company's HR policies and/or as may be approved by the NRC and/or the Board of Directors.

d. Components of Remuneration: The remuneration structure may include various components, such as:
- Basic Salary
- Performance-Based Incentives
- Allowances
- Benefits
- Stock Options (if applicable)
- Other benefits

if board may thin fit, may change the components as the case may be.

e. Disclosure Requirements: The Company shall disclose the remuneration paid to Key Managerial Personnel, Senior Management Personnel, and other employees in the Directors' Report and the Annual Report, as required under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. Annual Appraisal Process:

The annual appraisal process shall be conducted to evaluate the performance of all employees, including Managing and Executive Directors, Key Managerial Personnel, Senior Management Personnel, and other employees.
Organization-Wide Increments the Committee shall approve organization-wide increments to the existing remuneration/compensation structure on an annual basis. In approving the increments, the Committee shall consider the following factors:
a. Business Results: The Company's financial performance, including revenue growth, profitability, and other key performance indicators.
b. Competitive Compensation Market Scenario: The prevailing compensation trends and practices in the industry, including market rates for similar positions.
c. Other Factors: Any other factors that the Committee deems relevant, including the Company's overall performance, industry trends, and economic conditions.

Details of Remuneration to Executive and Non-Executive Director:

Sr. No.	Name	Designation	Remuneration
1.	Pankaj Dawar	Managing Director	Nil
2.	Manish Kumar Gupta	Director & CFO	Nil
3.	Deepti Datta	Independent Director	Nil
4.	Sanjeev Kumar Sapra	Independent Director	₹12,000/-
5.	Deepak Logani	Independent Director	Nil

Notes & Disclosures:

1. During FY 2025–26, the Company did not pay any managerial remuneration, commission, performance-linked incentives, or perquisites to any of its Executive or Non-Executive Directors, except sitting fees paid to Mr. Sanjeev Kumar Sapra, Independent Director, for attending Board/Committee meetings.
2. None of the Non-Executive Directors have any pecuniary relationships or transactions with the Company, its promoters, or its management, apart from receiving sitting fees as stated above.
3. No stock options or severance fees have been granted to any Director during the financial year.

Name and Designation of Compliance Officer

During the financial year 2025-26, Ms. Nidhi Pathak (ACS 31973) was appointed as Company Secretary & Compliance Officer w.e.f. August 12, 2025.

1. Audit Committee

Brief Description Pursuant to the Act and SEBI Listing Regulations, the Company has an Audit Committee, which meets the composition prescribed with a minimum of two-third of its members (including Chairman) being independent directors. All members are non–executive directors, are financially literate and have accounting or related financial management expertise.

The constitution of the Audit Committee is as follows:

1. Ms. Deepti Datta (Chairperson);
2. Mr. Sanjeev Kumar Sapra (Member);
3. Mr. Pankaj Dawar (Member);

Power of Audit Committee

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

Terms of Reference of Audit Committee:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of subsection 3 of Section 134 of the Act.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions
- Modified opinion(s) in the draft audit report, if any.

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of public issue or rights issue or preferential issue or qualified institutions placement , and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the Company with related parties;

i) Scrutiny of inter-corporate loans and investments;
j) Valuation of undertakings or assets of the Company, wherever it is necessary;
k) Evaluation of internal financial controls and risk management systems;
l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
n) Discussion with internal auditors of any significant findings and follow up there on;
o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
r) To review the functioning of the Whistle Blower mechanism;
s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
t) Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 on quarterly basis;
u) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the listed entity and its shareholders; and
v) Undertake/ carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors, from time to time, or as may be stipulated under any law, rule or regulation including Listing Regulations and the Act.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;
b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
c) Internal audit reports relating to internal control weaknesses;
d) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
e) To review the appointment, removal, and terms of remuneration of the Chief Internal Auditor / Internal Auditor;
f) Statement of deviations;
g) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Meeting Details:

During the year, **six (6)** Audit Committee Meetings were held, the details of which are as follows: -

Date of Meeting: 12-05-2025, 27-05-2025, 27-6-2025, 12-08-2025, 14-11-2025 and 12-02-2026.

Name of the Director	Category	No. of Meeting held	No. of Meetings Attended
Deepti Datta	Non-Executive Independent Director	6	6
Sanjeev Kumar Sapra	Non-Executive Independent Director	6	6

Pankaj Dawar	Managing Director	6	6

The Board has accepted all the recommendations proposed by the Audit Committee during the Financial Year. A detailed charter of the Audit Committee is available on the website of your Company: https://www.arurfootwear.co.in/files/policies/policy_03.pdf.

2. Nomination and Remuneration Committee

Pursuant to section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee (NRC). The terms of reference of the Committee are in accordance with the Act and SEBI Listing Regulations. These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed under the Act and SEBI Listing Regulations.

The constitution of the Nomination and Remuneration Committee is as follows:

1. Ms. Deepti Datta (Chairperson)
2. Mr. Deepak Logani (Member)
3. Mr. Sanjeev Kumar Sapra (Member)

Terms of Reference of the Committee:

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

Responsibilities of the Committee:

1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board
2. Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company
3. Recommending to the Board on the selection of individuals nominated for directorship
4. Making recommendations to the Board on the remuneration payable to the Directors / KMPs / Senior officials so appointed / re-appointed
5. Assessing the independence of the Independent directors
6. Such other key issues / matters as may be referred by the Board or as may be necessary in view of the Listing Regulations and provisions of the Companies Act, 2013 and rules framed there under 37

7. To make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of services of an Executive director as an employee of the Company subject to the provisions of the law and their service contract. 8. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. To devise a policy on Board diversity
9. To develop a succession plan for the Board and to regularly review the plan.

Meeting Details:

During the year, one (1) Nomination and Remuneration Committee Meetings were held, the details of which are as follows:

Date of Committee meeting: 12-08-2025

Name of the Director	Category	No. of Meeting held	No. of Meetings Attended
Deepti Datta	Non-Executive Independent Director	1	1
Deepak Logani	Non-Executive Independent Director	1	1
Sanjeev Kumar Sapra	Non-Executive Independent Director	1	1

The Board has accepted all the recommendations proposed by the Committee during the Financial Year, if any. A policy/charter on Nomination and Remuneration committee is available on the website of your Company: https://www.arurfootwear.co.in/files/policies/policy_02.pdf.

4. Stakeholders Relationship Committee

Pursuant to the Section 178 of the Act and Regulation 20 of SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee (SRC). This Committee specifically looks into the grievances of the equity shareholders of the Company. The terms of reference of the SRC are aligned with the regulatory requirements mandated by the Act and Part D of Schedule II of the SEBI Listing Regulations.

The constitution of the Stakeholders Relationship Committee is as follows:

1. Ms. Deepti Datta (Chairperson);
2. Mr. Deepak Logani (Member);
3. Mr. Sanjeev Kumar Sapra (Member)

Details of the investor complaints received during FY 2025-26:

No. of complaints outstanding at the beginning of the year	No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of complaints solved	No. of complaints pending at the
0	0	0	0	0

Date of Committee meeting: 19-02-2026

Name of the Director	Category	No. of Meeting held	No. of Meetings Attended
Deepti Datta	Non-Executive Independent Director	1	1

Deepak Logani	Non-Executive Independent Director	1	1
Sanjeev Kumar Sapra	Non-Executive Independent Director	1	1

Responsibilities:

The responsibilities of the Committee shall include the following:

1. Approval of issue of duplicate certificates for securities and transmission of securities.
2. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
3. Review of measures taken for effective exercise of voting rights by shareholders.
4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
6. Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund. Review of movements in shareholding and ownership structures of the Company.
7. Conduct a Shareholder Satisfaction Survey to judge the level of satisfaction amongst shareholders.
8. Suggest and drive implementation of various investor-friendly initiatives.
9. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Board has accepted all the recommendations proposed by the Committee during the Financial Year, if any. A policy/charter of the Stakeholder Relationship Committee is available on the website of your Company: https://www.arurfootwear.co.in/files/policies/policy_01.pdf.

Risk Management Committee: The provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the constitution of the Risk Management Committee are not applicable to the Company, as the Company does not fall under the top 1,000 listed entities based on market capitalization as on March 31, [Year]. Consequently, no separate Risk Management Committee has been constituted. The Board of Directors and the Audit Committee periodically review the risk assessment and minimization procedures of the Company.

General Body Meeting:

Extra Ordinary General Meeting

During the year 2025-26, no Extra Ordinary General Meeting of the members of the Company was held.

Annual General Meeting

For the year 2025-26, the 36th Annual General Meeting of the members of the Company is called and to be held on **Saturday, 26th September, 2026.**

Particulars of Special Resolution Passed in Last Three Years

Sr. No.	AGM	Special Resolution
1.	2021-2022	No, During the year the Company was in CIRP
2.	2022-2023	No, During the year the Company was in CIRP
3.	2023-2024	Details of Special Resolutions;

	held on 31.12.2024	1. To Appointment of Mr. Deepak Logani (DIN: 10842487) as an Independent Director of the Company; 2. To Appointment of Mrs. Deepti Datta (DIN: 10842930) as an Independent Woman Director of the Company; 3. To Appointment of Mr. Sanjeev Kumar Sapra (DIN: 10842495) as an Independent Director of the Company; 4. To increase the borrowing powers of the Company; 5. Adoption of New set of articles of association; 6. To approve limits specified under section 186 of the Companies Act, 2013;
4.	2024-2025 held on 21.08.2025	Details of Special Resolutions; 1. To approve change of name of the company and consequent alteration in Memorandum and Articles of Association of the Company 2.Appointment of M/s Meenu G. & Associates, Company Secretaries (COP No. 26274 & Peer Review Certificate No. 2443/2022), as the Secretarial Auditor of the Company. 3.To acknowledge and take note of the Issuance of 0.01% Compulsorily Convertible Debentures (CCDs).

Whether any resolutions are proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing of a resolution through postal ballot.

Whether any special resolution passed last year through postal ballot and details of voting pattern:

During the year under review, the Company did not pass any special resolutions through postal ballot.

Means of Communication

Quarterly and annual financial results are published in Hindi "Jansatta" and English "Financial Express" and can also been seen on the website of the Company, i.e., https://www.arurfootwear.co.in/

Code on prohibition of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), the Company has formulated the Code of Conduct for Prevention of Insider Trading (“Code”) to regulate and monitor trading by Designated Persons (“DPs”) and their immediate relatives. The Code, inter alia, lays down the procedures to be followed by DPs while trading/dealing in Company shares/ derivatives and while sharing Unpublished Price Sensitive Information (UPSI). The Code includes the obligations and responsibilities of DPs, obligation to maintain the structured digital database, mechanism for prevention of insider trading and handling of UPSI, process to familiarise with the sensitivity of UPSI, transactions which are prohibited and manner in which permitted transactions in the securities of the Company shall be carried out etc. The Company periodically circulates the informatory e-mails along with the FAQs on Insider Trading Code, Do’s and Don’ts etc. to the employees (including new employees) to familiarise them with the provisions of the Code. The Company also conducts frequent workshops/ training sessions to educate and sensitise the employees/ designated persons.

Related Party Transactions

Your Company has adopted a Policy on Related Party Transactions (RPTs) in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Policy aims to ensure proper reporting, approval, and disclosure of transactions between the Company and its related parties. It is available on the Company's website at https://www.arurfootwear.co.in/files/policies/policy_06.pdf. The Policy specifically addresses the review and approval process for material RPTs, taking into account potential or actual conflicts of interest that may arise. All related party transactions entered into by the Company and its subsidiaries that exceeded the thresholds based on their respective standalone turnover were placed before the Audit Committee for prior review and approval. The Company also obtains prior omnibus approval from the Audit Committee on an annual basis for transactions that are repetitive in nature and are entered into in the ordinary course of business and at arm's length. During the financial year 2025–26, all RPTs entered into were in the ordinary course of business and on an arm's length basis.

CEO/CFO CERTIFICATION:

In terms of the requirements of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Managing Director and the CFO have submitted necessary Certificate to the Board of Directors stating the particulars specified under the said Regulation.

This Certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 28th May, 2026.

General Shareholders Information

Day and Date	**Saturday, September 26, 2026**
Mode of Conduct	Through physical mode
Time	12:30 P.M.
Venue of the AGM	6th Floor, Plot No. 2, Sahibzada Ajit Singh Nagar, Sector 67 Road, Mohali-160055
Financial Year	01st April, 2025 - 31st March, 2026
Dividend Payment	No dividend declared by the Board
Name and address of the Stock Exchange	BSE Limited Add.: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra, 400001
Annual Listing Fees	As the Company was under the Corporate Insolvency Resolution Process ("CIRP"), certain Annual Listing Fees ("ALF") and related dues pertaining to the CIRP period were outstanding with BSE Limited ("BSE"). The Resolution Professional was coordinating with BSE in respect of such dues. Following approval of the Resolution Plan by the Hon'ble NCLT, Chandigarh Bench on 01 July 2024 and the reconstitution of the Board of Directors, the Company approached BSE for waiver of the ALF and related dues pertaining to the pre-01 July 2024 period. BSE has granted waiver of the applicable SOP fines and fees pertaining to the period prior to 01 July 2024. In accordance with the aforesaid waiver, the Company has discharged the ALF liability on a proportionate basis for the period commencing from 01 July 2024 onwards. Further, the Company has filed an application

	before the Hon'ble Securities Appellate Tribunal ("SAT") in relation to the refund of SOP fines paid by the Company to BSE under protest, which is presently sub judice. The Company is examining the ALF invoice pertaining to FY 2026–27 in light of the pending proceedings and shall take an appropriate decision regarding the said invoice upon the outcome of the aforesaid proceedings.
Stock Code	513515
Address for correspondence	II-B/20, First Floor, Lajpat Nagar, New Delhi-110024

Financial Results Calendar for 2025-26:
Your Company's financial year starts on April 1 and ends on March 31 every year. The calendar for approval of quarterly financial results is as under:

Quarter ended	Proposed schedule
June, 2025	August 14, 2025
September, 2025	November 14, 2025
December, 2025	February 14, 2026
March, 2026	May 30, 2026

Registrar and Share Transfer Agent ('RTA')
In terms of regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') MUFG Intime India Pvt. Ltd. was appointed as the Registrar and Share Transfer Agent and handles all relevant corporate registry services.
MUFG Intime India Pvt. Ltd.,
Add. 44 Community Center, 2nd Floor, Naraina Industrial Area,
Phase I, Near PVR, Naraina, New Delhi - 110028.
Tel: 011 - 4141 0592/93/94, Email - sunil.mishra@in.mpms.mufg.com
SEBI Registration No.: INR000004058

Note: M/s Skyline Financial Services Private Limited was appointed as the RTA of the Company in place of M/s MUFG Intime India Private Limited with effect from July 10, 2025. The transition of RTA-related records and activities to Skyline is presently in progress. Accordingly, MUFG Intime India Private Limited continues to provide registry services until completion of the transition to Skyline.

Name, Designation and Address of the Compliance officer (Address for Investor Correspondence)

Ms. Nidhi Pathak,
Company Secretary & Compliance Officer
Corporate office: II-B/20, First Floor Lajpat Nagar, New Delhi-110024
Ph: 011-46081516, E-mail: srindustries9531@gmail.com, Web: https://www.arurfootwear.co.in/

Share Transfer System

The equity shares of the Company are compulsorily traded in dematerialised form on BSE Limited. The share transfer and registry-related functions are entrusted to the Registrar and Share Transfer Agent (RTA).

Due to the suspension of the Company's ISIN, share transfer, dematerialisation, demat credit, transmission, transposition and other related securities transactions are presently not being processed. The same shall be undertaken upon activation of the ISIN and completion of the requisite regulatory and corporate formalities.

Green Initiative

As a responsible corporate citizen, your Company fully supports the 'Green Initiative' of the Ministry of Corporate Affairs (MCA), Government of India, which encourages electronic communication of corporate documents to shareholders. In alignment with the SEBI Listing Regulations and the applicable MCA and SEBI circulars — MCA General Circular No. 9/2024 dated September 19, 2024, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 — companies have been exempted from printing and dispatching physical copies of the Annual Report. Accordingly, your Company has sent the Integrated Annual Report for the financial year ended March 31, 2026, in electronic form to shareholders who have registered their email addresses with the Company, its Registrar and Share Transfer Agent (RTA), or their respective Depository Participants (DPs). Your Company encourages all shareholders to actively support this green initiative by registering or updating their email addresses: Shareholders holding shares in dematerialized form may register or update their email IDs with their respective Depository Participants (DPs). Shareholders holding shares in physical form are requested to register their email addresses with the Company's RTA by submitting duly signed KYC update forms along with the requisite details.

Details of Shareholding

Pursuant to the Resolution Plan approved by the Hon'ble NCLT, Chandigarh Bench vide order dated July 01, 2024, the existing shareholding of the Company was restructured and 1,96,73,500 equity shares were allotted in accordance with the approved Resolution Plan.

The Company has submitted the requisite application to BSE Limited for listing and trading approval of the said equity shares. The matter is presently under consideration and the requisite listing/trading approval is awaited. Accordingly, trading in the equity shares of the Company continues to remain suspended.

The Company is actively pursuing the matter with the concerned regulatory authorities and is taking the necessary steps for completion of the requisite corporate and regulatory formalities for resumption of trading.

Category-wise Shareholding Pattern as on March 31, 2026

As the trading and ISIN of the Company's equity shares continue to remain suspended, the Company is presently not receiving the requisite updated dematerialised shareholding data from the stock exchange/RTA. Accordingly, the category-wise shareholding pattern as on March 31, 2026 is not presently available with the Company and the same could not be reported in this Corporate Governance Report. The Company shall update/disclose the requisite shareholding details upon receipt of the updated records and completion of the necessary regulatory formalities.

Stock Price Data

The equity shares of the Company were traded on BSE Limited up to December 2024. The trading in the Company's equity shares was suspended by BSE Limited with effect from December 30, 2024, in connection with the corporate actions arising pursuant to the approved Resolution Plan and subsequent listing-related formalities.

Accordingly, **no trading in the Company's equity shares took place during the financial year 2025–26**, and consequently, no monthly high, low or closing price data is available for the financial year under review. The historical trading data available for the period up to December 2024 is not representative of the financial year 2025–26 and has therefore not been included as FY 2025–26 stock price data.

Performance in Comparison to Indices

As trading in the equity shares of the Company remained suspended during the financial year 2025–26, there was no market trading price during the period under review. Accordingly, comparison of the Company's share price performance with the relevant market indices is not applicable for the financial year 2025–26.

Foreign Exchange Risk and Hedging Activities

During the year under review, the Company did not enter into any hedging arrangements or derivative contracts to mitigate foreign exchange risk, as there were no significant exposures requiring such measures.

Manufacturing/plant Unit

The Company has a manufacturing unit at Village Singha, Tehsil Haroli, District Una, Himachal Pradesh - 177220.

Credit Ratings

During the financial year no credit rating was obtained.

Relationship between Board of Directors

There is no familiar or material relationship between any of the Directors of the Company, except for Mr. Pankaj Dawar, Managing Director, and Mr. Manish Kumar Gupta, Director & CFO. Both individuals also serve as Directors on the Board of the holding company, thereby having a common directorial association at the group level. The Board confirms that, apart from this association, all Directors act independently and in accordance with their fiduciary responsibilities, ensuring that the governance of the Company remains transparent, impartial, and aligned with the best interests of all stakeholders.

Dispute Resolution Mechanism at Stock Exchanges (SMART ODR):

As per SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, a common Online Dispute Resolution Portal (ODR Portal) has been established for investors to facilitate online conciliation and arbitration of disputes related to securities. Investors can now opt for arbitration with Stock Exchanges in case of any dispute against your Company or its RTA regarding delays or defaults in processing investor service requests. This is in addition to the existing SCORES system, where investors initially lodge their complaints or grievances against your Company. If an investor is not satisfied with the resolution provided by your Company, RTA, or SCORES, they may initiate the Online Dispute Resolution process through the ODR Portal at https://smartodr.in/odr/login/.

The link to the ODR Portal is also displayed on your Company's website at https://www.arurfootwear.co.in/files/contact-us/contact-us_01.pdf. In compliance with SEBI guidelines, your Company has communicated this Dispute Resolution Mechanism to all Members holding shares in physical form. As on March 31, 2026, no matters, relating to your Company, were pending in SMART ODR mechanism.

Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

There is no such related party transaction that may have potential conflict with the interests of the listed entity at large.

Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange (s) or the board or any statutory authority, on any matter related to capital markets, during the financial year:

Regulation	Nature of non-compliance	Period	Penalty / SOP Fine	Status
Regulation 44(3) of SEBI (LODR) Regulations, 2015	Non-submission of voting results in XBRL mode	August 2025	₹11,800 (including applicable GST)	Paid on October 10, 2025
Regulations 13, 31 & 33 of SEBI (LODR) Regulations, 2015	Non-submission of the requisite compliance filings for the quarter ended September 30, 2024	Quarter ended September 30, 2024 (prior to completion of takeover/management control by the present management)	₹26,07,800 (including applicable GST)	*Paid on December 06, 2025

*The Company has paid the aforesaid amount under protest on December 06, 2025. The Company has filed an application before the Hon'ble Securities Appellate Tribunal (SAT), Mumbai Bench, seeking refund/reversal of the amount, as the said period pertains to the period prior to the Company coming under the management and control of the present management. The matter is pending.

Details of compliance with mandatory requirements and adoption of the non- mandatory requirements

All the mandatory and non-mandatory requirements have been duly complied with by the company to the extent applicable to the company.

Web link where policy for determining 'material' subsidiaries is disclosed

Web link where policy for determining 'material' subsidiaries is disclosed at https://www.arurfootwear.co.in/dur46

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

Policy for determining materiality of event or Information

The Objective of this policy is to outline the guidelines to be followed by the Company for consistent, transparent and timely public disclosures of material information events/information and to ensure that such information is adequately disseminated to the stock Exchange(s) where the securities of the Company are listed in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality. Web link where policy for determining materiality of event or Information is disclosed at https://www.arurfootwear.co.in/dur46

Whistle-blower policy/vigil mechanism

The Company has a whistle-blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. The said policy has been appropriately communicated to the employees within the organization and has also been hosted on the Company's website, which can be accessed at https://www.arurfootwear.co.in/dur46

Shareholders' Right

Your Company is committed to ensuring timely, accurate, and equitable dissemination of information to all shareholders. All material disclosures, including quarterly financial results, press releases, investor presentations, and recordings or transcripts of earnings calls, are made available on the Company's website at https://www.arurfootwear.co.in/. Additionally, the same information is also uploaded on the website of the BSE Limited (BSE), where the shares of your Company are listed.

DISCLOSURE OF SENIOR MANAGEMENT:

Particulars of Senior Management Personnel (SMP) including the changes therein since the close of the previous financial year as per Schedule V Clause C sub clause 5B of SEBI (LODR) Regulations, 2015 is as follows:

a. Senior Management as on March 31, 2026:

Sr. No.	Name of Senior Management Personnel ("SMP")	Designation
1	Mr. Manish Kumar Gupta	Chief Financial Officer
2	Ms. Nidhi Pathak	Company Secretary & Compliance

b. Changes in Senior Management during financial year 2025-26

During the year under review, following changes took place:

Sr. No.	Name of Senior Management Personnel ("SMP")	Designation	Remark	Date of Change
1	Ms. Nidhi Pathak	Company Secretary & Compliance	Appointed	12.08.2025
2	Mr. Shivam Sharma	Company Secretary & Compliance	Ceased	11.07.2025

Code of Conduct

The Board of Directors have laid down a Code of Conduct for all the Board members and Senior management Personnel (including KMPs) of the Company. The Code of Conduct has also been posted on the website of the Company and the same can be accessed through link https://www.arurfootwear.co.in/files/policies/policy_14.pdf.

All the members of the Board and Senior Management (including KMPs) Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect as prescribed under Regulation 34(3), Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by Mr. Pankaj Dawar, Managing Director of the Company, forms part of this report as **Annexure-I.**

CEO and CFO Certificate

The Managing Director and CFO Certificate as prescribed under Schedule II Part B of SEBI Listing Regulations, 2015 is enclosed herewith as **Annexure-II** to this Report.

Compliance Certificate from Practicing Company Secretaries

As required by Regulation 34(3), Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from M/s. Meenu G. & Associates, Practicing Company Secretaries regarding compliances of conditions of Corporate Governance is annexed to this Report as **Annexure-III**.

Certificate from the Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

On the basis of written representations/declaration received from the Directors, as on 31st March, 2026, Meenu G. & Associates, Practicing Company Secretaries, have issued a Certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/MCA or any such authority and the same forms part of this Annual Report as **Annexure-IV**.

Audit Qualification

Your Company's Financial Statements are unqualified, and all the required information is contained in the Statutory Auditors' Report of the Company. For more information, you may kindly refer to the Statutory Auditors' Report and the Financial Statements.

Reporting of Internal Auditor

The Internal Auditor of your Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Audit Committee meetings to report their findings of the internal audit to the Audit Committee Members.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the applicable provisions of the Companies Act, 2013, including Section 133, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company has followed the Indian Accounting Standards (Ind AS) as prescribed and notified by the Ministry of Corporate Affairs, in line with the accounting principles generally accepted in India, and as issued by the Institute of Chartered Accountants of India (ICAI).

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

During the financial year 2025-26, there was no case that the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required. Hence, no disclosure is required in this regard.

Fees paid to Statutory Auditors

Total fees for all services paid by your Company to the Statutory Auditors, is Rs. 100,000/- (Rupees One Lakhs Only) for the financial year 2025-26.

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

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

It is reported that no complaint was received by the Company during the year under report.

The disclosure in this regard, pursuant to Schedule V Clause C sub-Clause 10 (l) of the SEBI (LODR) Regulations 2015 is as under:

Sr. No.	Particulars	Number of Complaints
1	Number of complaints filed during the financial year 2025-26	Nil
2	Number of complaints disposed of during the financial year 2025-26	Nil
3	Number of complaints pending as on end of the financial year 2025-26	Nil

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. Not Applicable since the Company does not have a Subsidiary as on 31st March 2026.

The Company has complied with the requirements of Corporate Governance Report as mentioned in sub paras (2) to (10) of Schedule V of the SEBI Listing Regulations 2015, to the extend as applicable to the Company.

The Company has complied with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961, if applicable.

The Company has complied with the corporate governance requirements specified under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The requisite disclosures relating to such compliance form part of this Corporate Governance Report.

Conflict of Interest

The designated Senior Management Personnel of the Company have confirmed that no material, financial, or commercial transactions were entered into during the year under review that could potentially result in a conflict of interest with the Company. All disclosures, as required under the applicable laws and the Code of Conduct, have been duly made to the Board.

Details of Loans and Advances in the Nature of Loans to Firms/Companies in Which Directors Are Interested

Relevant disclosures pertaining to loans or advances made by the Company to firms or companies in which Directors are interested are provided in the Standalone Financial Statements forming part. For further details, please refer to Notes of the Standalone Financial Statements.

Proceeds from public issues, rights issues, preferential issues etc.

During the FY 2025-26, your Company had not raised any fund through public issues, rights issues.

Compliance with Secretarial Standards

Your Company complies with all applicable secretarial standards.

Disclosure with respect to demat suspense account/unclaimed suspense account:

The details of the shares in the demat suspense account or unclaimed suspense account as on 31st March, 2026: **Not Applicable**

Disclosure of certain types of agreements binding listed entities:

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations: **Not Applicable**

Weblinks

Pursuant to the requirements of the SEBI Listing Regulations, link of the policies of the company is given here. The details are annexed to this report as **Annexure 'V'.**

For and on behalf of the Board

Pankaj Dawar
Chairman & Managing Director
DIN: 06479649

Date: 03.09.2026
Place: New Delhi

ANNEXURES TO CORPORATE GOVERNANCE REPORT

Annexure-I

DECLARATION PURSUANT TO CLAUSE D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Pankaj Dawar, Managing Director of Arur Footwear Limited (formerly known as S R Industries Limited), hereby confirm that all the Board Members and Senior Management Personnel (including KMPs) of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2026.

Pankaj Dawar
Managing Director

Place: New Delhi
Date: 28.05.2026

Annexure-II

Certification by Managing Director (MD) and Chief Financial Officer (CFO)

[Pursuant to Regulation 17(8) and Para B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2026 and that to the best of our knowledge and belief:

    a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
    b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2026 which are fraudulent, illegal or violation of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We further certify that we have indicated to the auditors and the Audit Committee:
a. There have been no significant changes in internal control system during the year;
b. There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
c. There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of
ARUR Footwear Limited
(Formerly known as S R Industries Limited)

Pankaj Dawar	**Manish Kumar Gupta**
Managing Director	**Chief Financial Officer**
DIN: 06479649	**DIN: 05331936**

Date: 28.05.2026
Place: New Delhi

Annexure-III

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Arur Footwear Limited
(Formerly known as S R Industries Ltd)
E- 217, Industrial Area, Phase 8b,
Mohali, Punjab, India, 160071

1. We have conducted an examination of all the relevant records of Arur Footwear Limited **("the Company")** CIN: L29246PB1989PLC009531 and having registered office at E- 217, Industrial Area, Phase 8b, Mohali, Punjab, India, 160071, for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated in regulation 17 to 27 and clause (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendment thereof ("SEBI Listing Regulations"), to the extent applicable, for the financial year ended March 31, 2026. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.
2. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and amended from time to time for the financial year ended March 31, 2026.

For Meenu G. & Associates
(Company Secretaries)

Meenu Gupta
(Proprietor)
Membership No. A52702
COP No. 26274
UDIN: A052702H001339251
PR No: 2443/2022

Place: New Delhi
Date: 01.09.2026

Annexure-IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,
Arur Footwear Limited
(Formerly known as S R Industries Ltd.)
E- 217, Industrial Area, Phase 8b,
Mohali, Punjab, India, 160071

I have examined the disclosures received from the Directors of Arur Footwear Limited (Formerly known as S R Industries Ltd) ('the Company') bearing CIN: L29246PB1989PLC009531 and having its registered office at E- 217, Industrial Area, Phase 8b, Mohali, Punjab, India, 160071 and the relevant registers, records, forms and returns maintained by the Company and as made available to me for the purpose of issuing this Certificate for the Financial Year ending 31st March 2026, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 has been debarred or disqualified from being appointed or continuing as Director of the Company, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of original Appointment	Designation
1	Mr. Pankaj Dawar	06479649	18-09-2024	Managing Director
2	Mr. Manish Kumar Gupta	05331936	18-09-2024	Director & CFO
3	Mr. Sanjeev Kumar Sapra	10842495	22-11-2024	Director (Non-Executive Independent Director)
4	Mrs. Deepti Datta	10842930	22-11-2024	Director (Non-Executive Independent Director)
5	Mr. Deepak Logani	10842487	22-11-2024	Director (Non-Executive Independent Director)

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

For Meenu G & Associates
(Company Secretaries)

Meenu Gupta
Proprietor
Membership No. A52702
COP No. 26274
UDIN: A052702H001339231
PR No: 2443/2022

Place: New Delhi
Date: 01.09.2026

Annexure-V

Link of the policies of the Company:

Sr. No.	Policy	Link
1.	Vigil Mechanism/Whistle Blower Policy [Regulation 22 of SEBI Listing Regulations and as defined under Section 177 of the Act]	https://www.arurfootwear.co.in/files/policies/policy_09.pdf
2.	Code of Practices and Procedures for Fair disclosure of unpublished price sensitive information [Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations]	https://www.arurfootwear.co.in/files/policies/policy_12.pdf
3.	Terms of Appointment of Independent Directors [Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Act]	https://www.arurfootwear.co.in/files/policies/policy_10.pdf
4.	Familiarisation Program [Regulations 25(7) and 46 of SEBI Listing Regulations]	https://www.arurfootwear.co.in/files/dur46/dur_17A.pdf
5.	Policy for Related Party Transactions [Regulation 23 of SEBI Listing Regulations and as defined under the Act]	https://www.arurfootwear.co.in/files/policies/policy_06.pdf
6.	Policy on determining Material Subsidiary [Regulation 24 of the SEBI Listing Regulations]	https://www.arurfootwear.co.in/files/policies/policy_17.pdf
7.	Material Events Policy [Regulation 30 of SEBI Listing Regulations]	https://www.arurfootwear.co.in/files/policies/policy_08.pdf
8.	Website Content Archival Policy [SEBI Listing Regulations]	https://www.arurfootwear.co.in/files/policies/policy_15.pdf
9.	Policy on Preservation of Documents [Regulation 9 of SEBI Listing Regulations]	https://www.arurfootwear.co.in/files/policies/policy_13.pdf
10.	Remuneration Policy [Regulation 19 of the SEBI Listing Regulations and as defined under Section 178 of the Act]	https://www.arurfootwear.co.in/files/policies/policy_02.pdf
11.	Code of Conduct [Regulation 17 of the SEBI Listing Regulations]	https://www.arurfootwear.co.in/files/policies/policy_14.pdf
12.	Policy on board diversity [Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]	https://www.arurfootwear.co.in/files/policies/policy_18.pdf
13.	Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders [Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations]	https://www.arurfootwear.co.in/files/policies/policy_05.pdf
14.	MGT-7 Annual Return for the FY 2025-26	https://www.arurfootwear.co.in/files/annual-returns/SRIND_ARET_FY2024-25.pdf

Annexure 'F'

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview

This report contains forward-looking statements representing the beliefs, projections, and expectations of Arur Footwear Limited (formerly known as S R Industries Limited) ("the Company") regarding its post-CIRP operations, growth strategy, and financial performance for the financial year ended March 31, 2026. These statements are subject to risks, economic uncertainties, trade policy shifts, input cost volatility, and competitive dynamics. Actual outcomes may differ materially. The Company undertakes no obligation to update forward-looking statements unless mandated by applicable legal and regulatory frameworks.

1) Industry structure and developments

India is the second-largest global producer and consumer of footwear. The domestic footwear industry continues its post-pandemic structural transformation, driven by non-leather athletic footwear, casualization, and D2C expansion. The Indian footwear market is expanding at a projected CAGR of 12% to 14% over the 2025–2030 period, supported by macro-economic stability, urbanization, and expansion in Tier 2 and Tier 3 cities.

- **Shift to Organized Retail:** Quality standards such as mandatory BIS (Bureau of Indian Standards) certification are accelerating the migration of market share from unorganized players (which historically comprised 70–80% of the market) toward organized, compliant brand owners.
- **Policy & Fiscal Support:** Initiatives such as the Government of India's Production-Linked Incentive (PLI) scheme for footwear and leather sectors aim to mobilize investments up to ₹2,000 crore, boosting domestic manufacturing capabilities and export competitiveness.
- **E-Commerce & Quick Commerce Scaling:** The robust expansion of digital commerce, omnichannel retail models, and quick-commerce logistics platforms allows new-age footwear brands to directly reach Gen Z and millennial consumers.

Growth of the Premium Segment in Indian Footwear

India's socio-economic growth has fueled a rising middle class with higher disposable income and aspirational lifestyles, driving demand for branded and premium footwear. Changing consumer preferences, influenced by evolving lifestyles, social media, and fashion trends, have led to increased demand for stylish yet comfortable footwear. The growing focus on fitness and wellness has further propelled demand for functional, branded products. As a result, the Indian footwear market is witnessing rapid transformation, with both new and established players expanding their premium offerings to meet evolving consumer expectations.

Online platforms and Emerging Retail Innovations

The rise of e-commerce in India, supported by robust logistics and digital infrastructure, has created new opportunities for businesses to reach untapped markets. Companies are investing heavily in digital platforms, while innovations like Omni-channel retailing, Buy Now Pay Later (BNPL), and quick commerce are enhancing the shopping experience. These developments, combined with consumers' growing comfort with digital tools, have driven greater convenience, choice, and price transparency—making online retail a key growth driver for the footwear industry.

2) Opportunities and Threats

<u>Opportunities:</u>

- ✓ D**2C Expansion:** Leveraging e-commerce platforms (Amazon, Flipkart) to scale market presence for newly launched brand portfolios with optimized distribution overheads.
- ✓ **Brand Portfolio Diversification:** Capitalizing on distinct market segments including youth fashion (*Pacalop*), premium sneakers (*Arur*), and institutional/school footwear (*Navo*).
- ✓ **Asset Optimization & ESG Initiatives:** Evaluating solar energy infrastructure at the Una (Himachal Pradesh) plant to reduce long-term power costs and assessing commercial utilization of unutilized land.

<u>Challenges:</u>

- ✓ **Global Trade & Tariff Volatility:** High import/export tariffs in primary foreign markets present competitiveness risks for domestic producers.
- ✓ **Raw Material Volatility:** Fluctuations in synthetic polymers, EVA, rubber, and chemical components impact gross margins.
- ✓ **Intense Competition:** Head-to-head competition from dominant global sports brands as well as unorganized, low-overhead domestic manufacturers.

3) Segment-wise and Product Performance:

Financial Year 2025–26 marked the first full operational year of business stabilization and brand rollout post-emergence from the Corporate Insolvency Resolution Process (CIRP) pursuant to the Hon'ble NCLT order dated July 01, 2024, under the management of Bazel International Limited (Successful Resolution Applicant).
Pending the full restoration of internal manufacturing facilities at the Una plant, the Company operated via footwear trading, generating ₹1.50 lakh in operational revenue.

- **Pacalop (D2C Youth Brand):** Commercialized during FY 2025–26 as a youth-focused brand offering ergonomic, vibrant flip-flops and casual footwear. Distributed via online marketplaces (Amazon, Flipkart), generating positive consumer traction in Tier 1 and Tier 2 cities.
- **Arur (Premium Sneaker Segment):** Advanced through the prototyping phase during the year, with brand identity finalized and packaging under development.
- **Navo (School Footwear):** Underwent durability, comfort, and compliance testing in the prototyping pipeline to address institutional market demand.

4) Outlook

The management maintains a bullish long-term outlook for FY 2026–27 and beyond, centered on its **"AAA" strategy (Availability, Affordability, and Accessibility)**. Strategic priorities include expanding distribution partnerships, introducing seasonal collections (Spring/Summer and Autumn/Winter), scaling engineered SKUs with IMEVA midsoles, and completing the reactivation of internal manufacturing facilities.

Looking ahead, the Company's success will largely depend on the effective execution of its digital strategies, timely product innovation, supply chain management, and the ability to scale operations efficiently. With its fresh brand outlook and youth-centric positioning, the Company is well-placed to capitalize on market opportunities and strengthen its presence in the lifestyle and fashion footwear industry in the near to medium term.

5) Risks and Concerns

- ✓ **Operational Stabilization Post-CIRP:** Following the approval of the Resolution Plan by the Hon'ble NCLT, Chandigarh Bench on July 1, 2024, and the takeover by Bazel International Limited as the Successful Resolution Applicant (SRA), the primary operational risk lies in stabilizing business operations during the post-insolvency transition phase. Restoring operational momentum requires managing short-term cash flows, securing working capital facilities, establishing trade credit lines, and rebuilding trust with trade partners. Navigating these initial working capital constraints while scaling commercial trading activities for newly launched D2C brand portfolios (such as *Pacalop*) poses an ongoing financial and operational challenge.
- ✓ **Pending Listing & Corporate Action Clearances:** A critical regulatory dependency for the Company is resolving execution formalities related to corporate actions directed by the Hon'ble NCLT order. Finalizing share allotments and completing the corporate action process for crediting demat accounts are prerequisites to obtaining final trading approvals from the BSE. Until full listing and trading status is restored, equity liquidity remains constrained, which poses structural risks for raising future equity growth capital and completing broader strategic restructurings.
- ✓ **Input Costs & Vendor Dependency:** During the ongoing revamp, overhaul, and compliance setup of the Company's internal footwear manufacturing facilities at Una

(Himachal Pradesh), the business model remains reliant on third-party contract manufacturers and trading vendors to fulfill product demand. This external reliance exposes the Company to supply chain disruptions, quality control risks, and potential lead-time delays. Furthermore, profitability margins remain vulnerable to raw material price fluctuations—specifically synthetic polymers, EVA, rubber, and chemical components—as well as ongoing foreign trade and tariff volatility affecting international supply chains

6) Internal Control System and their Adequacy

The Company maintains an adequate Internal Financial Controls (IFC) framework commensurate with its scale and business complexity. Statutory Auditors M/s Krishan Rakesh & Co. evaluated Internal Financial Controls Over Financial Reporting (ICOFR) as of March 31, 2026, and reported no material weaknesses or operational deficiencies. The Audit Committee periodically reviews internal control effectiveness, audit findings, and risk mitigation protocols.

7) Discussion on financial performance with respect to operational performance

During FY 2025–26, the Company successfully re-established revenue operations post-CIRP exit:

- **Revenue from Operations:** Recorded at ₹1.50 lakh for FY 2025–26 (against Nil in FY 2024–25).
- **Total Income:** Stood at ₹9.96 lakh for FY 2025–26 compared to ₹0.84 lakh in FY 2024–25.
- **Finance Costs:** Stood at ₹12.03 lakh (compared to ₹2.14 lakh in FY 2024–25).
- **Net Loss:** Total loss before and after tax reduced to ₹58.83 lakh in FY 2025–26, reflecting operational improvement compared to a net loss of ₹86.63 lakh in FY 2024–25.
- **Net Worth:** Stood at ₹11.48 lakh as of March 31, 2026.

8) Material development in human resources / Industrial Relations, including number of people employed

Industrial relations remained harmonious throughout the year. As of March 31, 2026, the Company had 8 permanent employees on its payroll. Workforce expansion across technical, administrative, and compliance functions will proceed in tandem with manufacturing reactivation.

9) Key Financial Ratios & Disclosure on Significant Changes

Pursuant to Regulation 34(2)(e) read with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key financial ratios of the Company for FY 2025–26 compared to FY 2024–25 are set out below:

Financial Ratio	**FY 2025-2026**	**FY 2024-2025**	**% Change**	**Significant Variance (≥ 25%)**
1. Current Ratio	**12.10**	**28.59**	**(57.67)%**	**Yes**
2. Debt Equity Ratio	**0.26**	**0.13**	**100.00%**	**Yes**
3. Return on Equity (ROE) Ratio	**(0.05)**	**(0.07)**	**28.57%**	**Yes**
4. Debt Service Coverage Ratio	**(0.00)**	**(0.00)**	**Nil**	**No**

Note on Turnover Ratios & DSCR:

- Key business turnover ratios including Inventory Turnover, Trade Receivables Turnover, Trade Payables Turnover, Net Capital Turnover, and Net Profit Margin are non-applicable or not reflective for FY 2025–26, as the Company remained in its initial operational setup phase following exit from the Corporate Insolvency Resolution Process (CIRP).
- The Debt Service Coverage Ratio (DSCR) remained non-reflective at (0.00) for FY 2025–26 (identical to FY 2024–25). Because operating cash flows / EBITDA remained negative during the initial business setup phase following the Company's emergence from CIRP, the ratio does not show a material percentage variation.

Detailed Explanations for Significant Variances (Change of 25% or more):

- Current Ratio (Decreased by 57.67%): The ratio decreased primarily due to an increase in short-term operational liabilities and trade payables incurred during the re-establishment of footwear trading activities and operational setup post-takeover by the Successful Resolution Applicant. Current liabilities expanded to ₹16.25 lakh in FY 2025–26 compared to ₹5.71 lakh in FY 2024–25.

- Debt-Equity Ratio (Increased by 100.00%): The ratio moved from 0.13 to 0.26 due to incremental borrowings and short-term credit arrangements (total liabilities reaching ₹3.04 lakh compared to ₹1.52 lakh in the previous year) relative to the restructured equity base of ₹11.48 lakh during the business revival phase.
- Return on Equity (ROE) (Improved by 28.57%): The negative return on equity improved from (0.07) to (0.05) [representing -7.18% to -5.12%]. This improvement was driven by a reduction in total operational net loss from ₹86.63 lakh in FY 2024–25 to ₹58.83 lakh in FY 2025–26 on the restructured equity base.

Mandatory Statutory Declaration

Save as explicitly detailed above, there were no other significant changes (i.e., variance of 25% or more as compared to the immediately preceding financial year) in the key financial ratios of the Company.

INDEPENDENT AUDITORS REPORT

To the Members of Arur Footwear Limited (Formerly S R Industries Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Arur Footwear Limited (Formerly S R Industries Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on 31st March, 2026, its Loss (including statement of other comprehensive income), for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of Our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report but does not include the Financial Statements and our auditors' report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's responsibility for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

(ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure -A" a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

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

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

c) The Balance Sheet, the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time;

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) This report does not include report relating to internal financial controls as required u/s 143(3)(i) pursuant to Notification No. GSR 583(E) dated 13.06 2017 issued by MCA.

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

i. The Company have pending litigations on its financial position in its financial statements as duly stated in Disclaimer Opinion above.

ii. According to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend have been declared or paid during the year by the company.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

Additionally, the audit trail, where enabled, has been preserved by the company as per the statutory requirements for record retention.

For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn. No. 009088N

Place : Delhi
Date : 28-05-2026
UDIN : 26087891WZYEEK4546

K.K. Gupta
(Partner)
M.No. 087891

ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory

1. In respect of Company's Property, Plant and Equipment and Intangible Assets

   a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets;

      (B) The company has maintained proper records showing full particulars of intangible assets.

   b. As explained to us, all the property, plant and equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;

   c. According to information & explanation given to us, title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

   d. The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets);

   e. Further, no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) Physical verification of inventory has been conducted at regular intervals during the year by the concerned management and no discrepancy were found during such verification.

   (b) The company has not been sanctioned working capital limits in excess of 5 crore rupees during any point of time of the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

3. As informed to us the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Hence, reporting under clause 3(iii) of the Order is not applicable.

4. According to the information and explanations given to us, the company has complied with section 185 and 186, wherever applicable, of the Companies Act, 2013.

5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.

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

7. In respect of the statutory and other dues:

    a. As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees 'state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

    b. We, according to information and explanations given to us, there are no any dues referred to in sub-clause (a) have not been deposited on account of any dispute.

8. According to information and explanations given to us, there were no unrecorded transactions in the books of account which have to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),

9. Based on our audit procedure and on the basis of information and explanation given to us by the management we are of the opinion that:

    (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender,

    (b) The company has not been declared as willful defaulter by any bank or financial institution or government and any government authority;

    (c) As explained to us, term loans obtained during the year were applied for the purpose for which that were obtained by the company

    (d) The company has not raised funds on short term and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

    (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

    (f) The company has not raised loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable

10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

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

11. (a) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the company or fraud on the company has been noticed/reported during the course of our audit for the year ended March 31, 2026.

    (b) No report under sub-section (12) of section 143 of the Companies Act is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

    (c) According the information and explanation given to us no whistle-blower complaints have been received during the year.

12. The provisions of clause (xii) of the order are not applicable as the company is not a Nidhi Company as specified in the clause.

13. According to information and explanations given to us and on the basis of our examination of records of the company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. (a) The company has an adequate internal audit system commensurate with the size and nature of its business;

    (b) The report of the internal auditor for the period under audit has duly been considered by the Statutory Auditors.

15. According to information and explanation given to us the company has not entered into any non-cash transaction with the director or any person connected with him during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. (a) According to the information and explanations given to us, and in view of its business activities, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

    (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities accordingly reporting under clause 3(xvi)(b) of the Order is not applicable.

    (c) According to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

17. The company has incurred cash losses during the current financial year and previous financial year.

18. There is no resignation of statutory auditors received during the year.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) The provision sub-section (5) of section 135 of the Act is not applicable to company, therefore the company is not required to transfer any amount to the fund specified in section 135 of the Act.

    (b) No Such amount is required to be transfer to special account in compliance of the provision go sub-section (6) of section 135 of the Act.

For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn No. 009088N

Place : Delhi
Dated : 28-05-2026
UDIN : 26087891WZYEEK4546

K.K. Gupta
(Partner)
M.No. 087891

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Balance sheet as at March 31, 2026

(Rs. in Hundred)

Particulars	Notes	AS AT March 31, 2026	AS AT March 31, 2025
Assets			
Non-current assets			
a) Property, plant and equipment	**3**	12,08,927.84	12,02,131.10
b) Capital Work In Progress	**3A**	63,102.49	0.00
Total non-current assets		**12,72,030.33**	**12,02,131.10**
Current assets			
a) Inventories	**4**	9,985.86	107.80
b) Financial assets			
i) Cash and cash equivalent	**5**	4,943.45	16,539.90
ii) Loans	**6**	1,05,458.23	95,278.26
iii) Other financial assets	**7**	26,898.00	232.50
c) Other current assets	**8**	48,236.53	50,754.96
d) Current Tax Assets	**9**	1,135.02	283.44
Total current assets		**1,96,657.09**	**1,63,196.85**
Total assets		**14,68,687.42**	**13,65,327.95**
Equity and liabilities			
Equity			
a) Equity share capital	**10**	19,67,350.00	19,67,350.00
b) Other equity	**11**	(8,18,947.43)	(7,60,114.60)
Total equity		**11,48,402.57**	**12,07,235.40**
Liabilities			
Non-current liabilities			
a)Financial liabilities			
i) Long Term Borrowings	**12**	3,04,031.37	1,52,383.48
Total non-current liabilties		**3,04,031.37**	**1,52,383.48**

Balance sheet as at March 31, 2026

(Rs. in Hundred)

Particulars	Notes	AS AT March 31, 2026	AS AT March 31, 2025
Current liabilities			
a) Financial liabilities			
i) Other Financial Liabilities	**13**	12,331.16	5,581.09
b) Other Current liabilities	**14**	3,922.32	127.98
Total current liabilities		**16,253.48**	**5,709.07**
Total equity & liabilities		**14,68,687.42**	**13,65,327.95**
Significant accounting policies	**1-2**		

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

In terms of our report of even date annexed

Sd/-
For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn. No.: 009088N

For and on behalf of the Board
Arur Footwear Limited
(Formerly S R INDUSTRIES LIMITED)

Sd/-
(K.K.Gupta)
Partner
M.No.:087891

Sd/-
Pankaj Dawar
(Managing Director)
DIN : 06479649

Sd/-
Deepak Logani
(Director)
DIN : 10842487

Sd/-
Nidhi Pathak
(Company Secretary)
(PAN : CHIPP6380D)

Sd/-
Manish Kumar Gupta
(CFO)
(PAN : ATPPG5276J)

Place : Delhi
Date : 28-05-2026

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Statement of Profit and Loss
For the year ended 31st March, 2026

(Rs. in Hundred)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	**15**	1,495.85	0.00
Other Income	**16**	8,464.46	840.63
Total income		**9,960.31**	**840.63**
Expenses			
Cost of Material Consumed	**17**	37.88	0.00
Changes in Inventories	**18**	(8,915.95)	0.00
Purchases		9,418.80	0.00
Finance Costs	**19**	12,034.68	2,137.75
Employee benefit expenses	**20**	19,631.53	29,158.50
Other expenses	**21**	36,586.21	56,168.86
Total Expenses		**68,793.14**	**87,465.11**
Profit before tax		**(58,832.83)**	**(86,624.48)**
Tax expenses:			
Current tax			
Current year		0.00	0.00
Previous year		0.00	10.00
Profit for the year		**(58,832.83)**	**(86,634.48)**
Other Comprehensive Income			
Re-measurement gains/(losses) on defined benefit plans		0.00	0.00
Income tax relating to items		0.00	0.00
Net Other Comprehensive income for the period		**0.00**	**0.00**
Total Comprehensive income for the year		**(58,832.83)**	**(86,634.48)**
Earning per share Basis/ Diluted (Rs.)		**(0.30)**	**(0.44)**
Significant accounting policies	**1-2**		

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

For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn. No.: 009088N

For and on behalf of the Board
Arur Footwear Limited
(Formerly S R INDUSTRIES LIMITED)

Sd/-
(K.K.Gupta)
Partner
M.No.:087891

Sd/-
Pankaj Dawar
(Managing Director)
DIN : 06479649

Sd/-
Deepak Logani
(Director)
DIN : 10842487

Place : Delhi
Date : 28-05-2026

Sd/-
Nidhi Pathak
(Company Secretary)
(PAN : CHIPP6380D)

Sd/-
Manish Kumar Gupta
(CFO)
(PAN : ATPPG5276J)

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Cash flow statement
for the year ended March 31, 2026

(Rs. in Hundred)

		For the year ended March 31, 2026	For the year ended March 31, 2025
A.	**Cash flow from operating activities**		
	Net Profit before tax & exceptional items	**(58,832.83)**	**(86,624.48)**
	Adustment for :		
	Depreciation	0.00	0.00
	Interest Income	(8,464.46)	(840.63)
	Interest paid	12,034.68	2,137.75
	Operating Profit before Working Capital Facilities	**(55,262.61)**	**(85,327.36)**
	Adjustment for :		
	(increase)/ decrease in other financial assets	(26,665.50)	(70,613.28)
	(increase)/ decrease in other current assets	1,46,033.22	0.00
	(increase)/ decrease in loans and advances	(1,53,694.76)	0.00
	increase/ decrease in other financial liabilities	6,750.07	5,709.07
	increase/ decrease in other current liabilities	3,794.34	0.00
	(increase)/ decrease in inventory	(9,878.07)	(107.80)
	Cash generated from operation	**(88,923.30)**	**(1,50,339.37)**
	Tax paid	(851.59)	0.00
	Net Cash used in operating activities	**(89,774.89)**	**(1,50,339.37)**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	(6,796.74)	(2,781.50)
	Capital Work in Progress	(63,102.49)	0.00
	Interest Received	8,464.46	840.63
		(61,434.77)	**(1,940.87)**
	Net Cash used in investing activities	**(61,434.77)**	**(1,940.87)**

(Rs. in Hundred)

	For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flow from financing activities		
Payment / Receipts of long term borrowings	1,51,647.89	(10,02,345.10)
Interest Paid	(12,034.68)	(2,137.75)
Increase in Share Capital	0.00	11,70,000.00
Net Cash used in financing activities	**1,39,613.21**	**1,65,517.15**
Net increase/(decrease) in cash & cash equivalents	**(11,596.45)**	**13,236.91**
Cash & cash equivalent opening	**16,539.90**	**3,302.98**
Cash & cash equivalent closing	**4,943.45**	**16,539.90**

In terms of our report of even date annexed

For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn. No.: 009088N

Sd/-
(K.K.Gupta)
Partner
M.No.:087891

For and on behalf of the Board
Arur Footwear Limited
(Formerly S R INDUSTRIES LIMITED)

Sd/-	**Sd/-**
Pankaj Dawar	**Deepak Logani**
(Managing Director)	**(Director)**
DIN : 06479649	**DIN : 10842487**
Sd/-	**Sd/-**
Nidhi Pathak	**Manish Kumar Gupta**
(Company Secretary)	**(CFO)**
(PAN : CHIPP6380D)	**(PAN : ATPPG5276J)**

Place : Delhi
Date : 28-05-2026

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Statement of changes in equity
for the year ended March 31, 2026

Equity share capital *(Rs. in Hundred)*

(1) Current Reporting Period	**Amounts**
Balance as at April 1, 2025	19,67,350.00
Changes in equity share capital during the year	0.00
Balance as at March 31, 2026	**19,67,350.00**

(2) Previous Reporting Period	
Balance as at April 1, 2024	19,64,570.00
Changes in equity share capital during the year	2,780.00
Balance as at March 31, 2025	**19,67,350.00**

Other equity

(1) Current Reporting Period

Particulars	Accumulated Losses	Securities premium reserve	Other Comprehensive Income	Capital reserves	Total
As at April 1, 2025	(7,60,114.60)	0.00	0.00	0.00	(7,60,114.60)
Profit / Loss for the year	(58,832.83)	0.00	0.00	0.00	(58,832.83)
Additions during the year	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income	0.00		0.00	0.00	0.00
As at March 31, 2026	**(8,18,947.43)**	**0.00**	**0.00**	**0.00**	**(8,18,947.43)**

(2) Previous Reporting Period

Particulars	Accumulated Losses	Securities premium reserve	Other Comprehensive Income	Capital reserves	Total
As at April 1, 2024	(63,75,393.80)	1,18,050.00	4,398.75	54,639.00	(61,98,306.04)
Profit / Loss for the year	(86,634.48)	0.00	0.00	0.00	(86,634.48)
Gain on Liquidation	57,01,913.68	0.00	0.00	0.00	57,01,913.68
Adjusted During the year	0.00	1,18,050.00	4,398.75	54,639.00	1,77,087.75
As at March 31, 2025	**(7,60,114.60)**	**0.00**	**0.00**	**0.00**	**(7,60,114.60)**

In terms of our report of even date annexed

For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn. No.: 009088N

For and on behalf of the Board
Arur Footwear Limited
(Formerly S R INDUSTRIES LIMITED)

Sd/-
(K.K.Gupta)
Partner
M.No.:087891

Sd/-
Pankaj Dawar
(Managing Director)
DIN : 06479649

Sd/-
Deepak Logani
(Director)
DIN : 10842487

Sd/-
Nidhi Pathak
(Company Secretary)
(PAN : CHIPP6380D)

Sd/-
Manish Kumar Gupta
(Chief Financial Officer)
(PAN : ATPPG5276J)

Place : Delhi
Date : 28-05-2026

1. Corporate Information

Arun Footwear Limited (Formerly S R Industries Limited) (the Company) (CIN: L29246PB1989PLC009531) is a Public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on a recognized stock exchange in India.

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

2. Significant Accounting Policies

2.1 Basis of Preparation of standalone Ind AS financial statements

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

For all periods up to and including the year ended 31st March 2026, the Company prepared it financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

In respect of financial information for the year ended 31st March 2026, the Company followed the same Accounting Policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1st April 2016.

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

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

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

2.2 Summary of Significant Accounting Policies

(A) Property, Plant & Equipment

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.
Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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

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

S. No.	Nature of Asset	Useful Life (Years)
1	Buildings	30.00
2	Plant & Machinery	15.00
3	Other Equipment	10 to 15
4	Vehicles	08.00
5	Moulds& Dies	15.00
6	Furniture/Fittings	10.00

However, No Depreciation is being provided for the year as their was no operations in the company during the year under audit.

(B) Current versus Non-Current Classification

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

➢ Expected to be realized or intended to be sold or consumed in normal operating cycle

➢ Held primarily for the purpose of trading;

➢ Expected to be realized within twelve months after the reporting period, or

➢ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:

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

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets or liabilities.

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

(C) Taxes

Current Income Tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 (as amended) and Income Computation and Disclosure Standards (ICDS) enacted in India by using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.
Current income tax relating to items recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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

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

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

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

• When the tax incurred on a purchase of assets or services is not recoverable from the taxation

Authority in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

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

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

(D) Inventory

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

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

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

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

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

However, the value of all the Inventories are stated as per last Balance Sheet.

(E) Financial Instruments

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

a) Financial Assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

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

ii. Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the Company estimates the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.
➢ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:
1. the rights to receive cash flows from the asset have expired, or
2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
➢ the Company has transferred the rights to receive cash flows from the financial assets or

➢ The Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

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

Impairment of financial assets

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

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

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

For recognition of impairment loss on other financial assets and risk exposure (if any), the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

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

Reclassification of financial assets

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

Financial Liabilities

Initial recognition and measurement:

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

Subsequent measurement:

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

Trade Payables

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

Financial Liabilities at fair value through profit & loss

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

Loans & Borrowings

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

Derecognition

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

Offsetting of financial instruments

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

(F) Cash & Cash Equivalents

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

(G) Mandatorily Redeemable Preference Shares

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

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

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

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

(H) Provisions

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

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

Contingent Liabilities

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

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

(I) Employee Benefits

- Short term obligations

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

- Other Long-term employee benefit obligations:

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

Gratuity Obligations:

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

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

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

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

(J) Revenue Recognition:

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The- Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.
Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. Interest income is recognised using the effective interest rate (EIR) method.

(K) Leases

Company, as a lessee

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

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

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

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

The Company as a lessor

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

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

(L) Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(M) Significant accounting judgments, estimates and assumptions

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

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

Operating lease commitments - Company as lessee
The Company has taken various properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does

not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

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

b. Defined benefit plans

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

The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

c. Fair value measurement of financial instrument
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this .is not feasible, a

degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(N) Borrowing Costs

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

(O) Impairment of Non-Financial Assets:

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

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

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

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

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

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

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

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

(P) Government Grants:

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

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

(Q) Earnings per share:

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

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

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Notes of the financial statements for the year ended March 31, 2026

3 Property, plant and equipment

Rs. In Hundred

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2025	Additions During the year	Sales/ Adjustments	Total 31.03.2026	Upto 01.04.2025	For the Year	Adjustments/ Sales	Total as on 31.03.2026	As on 31.03.2026	As on 31.03.2025
Land	1,63,753.92	0.00	0.00	1,63,753.92	0.00	0.00	0.00	0.00	1,63,753.92	1,63,753.92
Buildings	7,48,554.54	0.00	0.00	7,48,554.54	2,03,497.31	0.00	0.00	2,03,497.31	5,45,057.23	5,45,057.23
Plant and Equipment	15,77,307.61	6,796.74	0.00	15,84,104.35	11,01,182.33	0.00	0.00	11,01,182.33	4,82,922.02	4,76,125.28
Furniture and fixtures	1,50,933.48	0.00	0.00	1,50,933.48	1,33,738.81	0.00	0.00	1,33,738.81	17,194.67	17,194.67
Current year	**26,40,549.55**	**6,796.74**	**0.00**	**26,47,346.29**	**14,38,418.45**	**0.00**	**0.00**	**14,38,418.45**	**12,08,927.84**	**12,02,131.10**
Previous year	**28,83,836.01**	**2,781.50**	**2,46,067.96**	**26,40,549.55**	**15,49,456.83**	**0.00**	**1,11,038.38**	**14,38,418.45**	**12,02,131.10**	**13,34,379.18**

3A Capital work in Progress

Project in Progress	As at 31-03-2026	As at 31-03-2025
Project in progress for a period of		
Less than 1 year	63,102.49	0.00
1-2 years	0.00	0.00
2-3 year	0.00	0.00
More than 3 years	0.00	0.00
	63,102.49	**0.00**

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Notes of the financial statements for the year ended March 31, 2026

(Rs. in Hundred)

	Particulars	AS AT March 31, 2026	AS AT March 31, 2025
4	**Inventories**		
	Raw Materials / Packing Material	1,069.91	107.80
	Finished Goods	8,915.95	0.00
		9,985.86	**107.80**
5	**Cash and cash equivalents**		
	Bank balances in current accounts	4,943.45	16,539.90
		4,943.45	**16,539.90**
6	**Loans**		
	Others Advances	1,05,458.23	95,278.26
		1,05,458.23	**95,278.26**
7	**Other financial assets**		
	Security Deposits	820.00	0.00
	Advances to Suppliers	0.00	232.50
	Amount Receivable from BSE	26,078.00	0.00
		26,898.00	**232.50**
8	**Other Current Assets**		
	Balance with Revenue Authorities	48,236.53	50,754.96
		48,236.53	**50,754.96**
9	**Current Tax Assets**		
	I.Tax Advances	1,135.02	283.44
		1,135.02	**283.44**
10	**Equity share capital**		
	Authorised		
	2,15,00,000 (Previous Year 2,15,00,000 Shares) Equity shares of Par Value of Rs. 10/- each	21,50,000.00	21,50,000.00
		21,50,000.00	**21,50,000.00**
	Issued Share Capital		
	1,96,73,500 (Previous Year 1,96,73,500) Equity Shares of par value of Rs. 10/- each	19,67,350.00	19,67,350.00
		19,67,350.00	**19,67,350.00**
	Subscribed & paid up		
	1,96,73,500 (Previous Year 1,96,73,500) Equity Shares of par value of Rs. 10/- each	19,67,350.00	19,67,350.00
	Total	**19,67,350.00**	**19,67,350.00**

a) The reconciliation of number of shares outstanding and the amount of Share Capital as at the opening and closing dates is set out below:

Equity shares

Particulars	No. of shares	No. of shares
No. of Shares outstanding at the beginning of the year	1,96,73,500	1,96,45,700
Issued During the Year	0	27,800
No. of Shares outstanding at the end of the year	**1,96,73,500**	**1,96,73,500**

ARUR FOOTWEAR LIMITED
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Notes of the financial statements for the year ended March 31, 2026

(Rs. in Hundred)

Particulars	AS AT March 31, 2026	AS AT March 31, 2025

b) The company has only one class of equity shares having a par value of Rs. 10/- each.The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) Following Shareholders hold equity shares more than 5% of the Total equity shares of the company at the end of the period:

Equity Shares

Person	NOS (%age)	NOS (%age)
Bazel International Limited	98,56,424 (50.10%)	98,56,424 (50.10%)
Sam Realtown Private Limited	19,67,350 (10.00%)	19,67,350 (10.00%)
Ams Infrastructure Private Limited	17,70,615 (09.00%)	17,70,615 (09.00%)
Masatya Technologies Private Limited	35,21,556 (17.90%)	35,21,556 (17.90%)
Expertpro Realty Private Limited	9,83,675 (05.00%)	9,83,675 (05.00%)

d) The company has not issued any bonus shares during the period of last 5 years.

e) Shares held by promoters at the end of the year

Name of Promoter	% Change during the Year	NOS (%age)	NOS (%age)
Bazel International Limited	0.00%	98,56,424 (50.10%)	98,56,424 (50.10%)
Sam Realtown Private Limited	0.00%	19,67,350 (10.00%)	19,67,350 (10.00%)
Ams Infrastructure Private Limited	0.00%	17,70,615 (09.00%)	17,70,615 (09.00%)
Masatya Technologies Private Limited	0.00%	35,21,556 (17.90%)	35,21,556 (17.90%)
Expertpro Realty Private Limited	0.00%	9,83,675 (05.00%)	9,83,675 (05.00%)

11 Other equity

Reserves & surplus		
As per last balance Sheet	(7,60,114.60)	(63,75,393.80)
Gain on Liquidation	0.00	57,01,913.68
Add: Net Profit / Loss after tax transferred from Statement of Profit & Loss	(58,832.83)	(86,634.48)
Sub Total	**(8,18,947.43)**	**(7,60,114.60)**
Securities premium reserve		
As per last balance Sheet	0.00	1,18,050.00
Adjusted during the year	0.00	1,18,050.00
Sub Total	**0.00**	**0.00**
Other Comprehensive Income		
As per last balance Sheet	0.00	4,398.75
Less: Transferred	0.00	4,398.75
Sub Total	**0.00**	**0.00**

Other reserves

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Notes of the financial statements for the year ended March 31, 2026

(Rs. in Hundred)

	Particulars	AS AT March 31, 2026	AS AT March 31, 2025
	Capital reserve		
	As per last balance sheet	0.00	54,639.00
	Transferred During the Year	0.00	54,639.00
	Sub Total	**0.00**	**0.00**
	Total	**(8,18,947.43)**	**(7,60,114.60)**
12	**Long Term Borrowings**		
	Unsecured loans		
	- From Directors	1,000.00	1,000.00
	- From Intercorporate	3,03,031.37	1,51,383.48
	Total	**3,04,031.37**	**1,52,383.48**
13	**Other Financial Liabilities**		
	Salary & Wages Payable	3,133.05	2,392.83
	Other liabilities and payables	9,198.11	3,188.26
		12,331.16	**5,581.09**
14	**Other Current Liabilities**		
	Statutory Dues Payables	3,922.32	127.98
		3,922.32	**127.98**
15	**Revenue From Operations**		
	Sale of Footwear	1,495.85	0.00
		1,495.85	**0.00**
16	**Other income**		
	Interest Received	8,464.46	840.63
	Total	**8,464.46**	**840.63**
17	**Cost of Materials consumed**		
	Inventory at the beginning of the year	107.80	1,49,643.94
	Add: Purchase	999.99	107.80
		1,107.79	**1,49,751.74**
	Less: Inventory Returned / woff	0.00	1,49,643.94
	Less: Inventory at the end of the year	1,069.91	107.80
	Cost of materials consumed	**37.88**	**0.00**

ARUR FOOTWEAR LIMITED
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Notes of the financial statements for the year ended March 31, 2026

(Rs. in Hundred)

	Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
18	**Changes in stock-in-trade**		
	Opening stock		
	Finished Goods	0.00	906.58
		0.00	**906.58**
	Less : Woff During the Year	0.00	906.58
	Closing stock		
	Finished Goods	8,915.95	0.00
		8,915.95	**0.00**
	Total	**(8,915.95)**	**0.00**
19	**Finance Cost**		
	Interest on loan from:		
	Others	12,034.68	2,137.75
		12,034.68	**2,137.75**
20	**Employee benefits expense**		
	Salaries and wages	19,631.53	29,158.50
	Total	**19,631.53**	**29,158.50**
21	**Other expenses**		
	Manufacturing Expenses		
	Power and Fuel	0.00	4,175.00
		0.00	**4,175.00**
	Repairs and maintenance		
	Plant and machinery	0.00	3,010.91
		0.00	**3,010.91**
	Other administrative expenses		
	Advertising Expenses	2,503.50	222.53
	Rent	3,544.67	0.00
	Electricity & Water Charges	122.21	0.00
	Sitting Fees	480.00	0.00
	Bank charges	86.72	11.17
	Auditor's Remuneration		
	-As audit Fees	1,000.00	900.00
	-For Other Matters	300.00	0.00
	Travelling and conveyance	0.00	56.81
	Legal and professional fees	2,273.50	30,606.19
	GST Demand- Interest and Penalty	13,709.03	0.00
	Commission on Sales	168.57	0.00
	General Office and Miscellenous Expenses	12,398.01	17,186.24
		36,586.21	**48,982.95**
	Total	**36,586.21**	**56,168.86**

ARUR FOOTWEAR LIMITED
(Formerly S R Industries Limited)

Notes to the financial statements for the year ended March 31, 2026

22 **Income Taxes**

The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 are:

A. Statement of profit and loss:

(i) Profit & loss section

(Rs. in Hundred)

	March 31, 2026	March 31, 2025
Current income tax charge	0.00	0.00
MAT credit entitlement	0.00	0.00
Adjustments in respect of current income tax of previous year	0.00	0.00
Deferred tax:		
Relating to origination and reversal of temporary differences	0.00	10.00
Income tax expense reported in the statement of Profit & loss	**0.00**	**10.00**

(ii) OCI Section

Deferred tax related to items recognised in OCI during the year:

	March 31, 2026	March 31, 2025
Net loss/(gain) on remeasurements of defined benefit plans	0.00	0.00
Income tax charged to OCI	**0.00**	**0.00**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for FY ended 31 March 2026 and 31 March 2025:

	March 31, 2026	March 31, 2025
Accounting profit before tax from continuing operations	(58,832.83)	(86,634.48)
Profit/(loss) before tax from a discontinued operation	0.00	0.00
Accounting profit before income tax	**(58,832.83)**	**(86,634.48)**
At India's statutory income tax rate	0.00	0.00
Adjustments in respect of current income tax of previous years		
Expenses not allowed as deduction	0.00	0.00
Adjustments in respect of current income tax of previous year	0.00	0.00
Adjustment in respect of Income not credited to profit and loss	0.00	0.00
Adjustment in respect of brought forward of losses	0.00	0.00
	0.00	**0.00**
Income tax expense reported in the statement of profit and loss	0.00	10.00
Income tax attributable to a discontinued operation	0.00	0.00
	0.00	**10.00**

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Notes to the financial statements for the year ended March 31, 2026

Deferred tax

Deferred tax relates to the following:

(Rs. in Hundred)

		Balance sheet
	March 31, 2026	**March 31, 2025**
Accelerated depreciation for tax purposes	0.00	0.00
B/F Losses / Disallowances u/s 43B / 40A	0.00	0.00
Ind AS adjustments	0.00	0.00
Deferred tax expense/(income)	**0.00**	**0.00**
Net deferred tax assets/(liabilities)	**0.00**	**0.00**

Reflected in the balance sheet as follows:

	March 31, 2026	**March 31, 2025**
Deferred tax assets (continuing operations)	0.00	0.00
Deferred tax liabilities (continuing operations)	0.00	0.00
Deferred tax liabilities, net	**0.00**	**0.00**

Reconciliation of deferred tax liabilities (net):

	March 31, 2026	**March 31, 2025**
Opening balance as of 1 April	**0.00**	**0.00**
Tax (income)/expense during the period recognised in Profit & loss	0.00	0.00
Tax (income)/expense during the period recognised in OCI	0.00	0.00
Discontinued operation	0.00	0.00
Closing balance as at 31 March	**0.00**	**0.00**

23 Fair values measurements

(i) Financial instruments by category *(Rs. in Hundred)*

Particulars	March 31, 2026			March 31, 2025		
	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost
Financial assets						
Other financial assets (non current)	0.00		26,898.00	0.00	232.50	0.00
Cash and cash equivalents	0.00		4,943.45	0.00	16,539.90	0.00
Loans	0.00		1,05,458.23	0.00	95,278.26	0.00
Total financial assets	**0.00**	**0.00**	**1,37,299.68**	**0.00**	**1,12,050.66**	**0.00**
Financial liabilities						
Long term borrowing	0.00	0.00	3,04,031.37	0.00	0.00	1,52,383.48
Short term borrowing	0.00	0.00	0.00	0.00	0.00	0.00
Other financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Total financial liabilities	**0.00**	**0.00**	**3,04,031.37**	**0.00**	**0.00**	**1,52,383.48**

(ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company’s assets and liabilities, other than those whose fair values are close approximations of their carrying values.

Notes to the financial statements for the year ended March 31, 2026

Financial assets and liabilities measured at fair value - recurring fair value measurements for which fair values are disclosed at 31 March 2026

	Fair value				
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable Inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets					
		-	-	-	

There have been no transfers between Level 1 and Level 2 during the period.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed at 31 March 2026:

(Rs. in Hundred)

	Fair value measurement using				
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets					
Other deposits	31-Mar-26	0.00	0.00	0.00	0.00
	31-Mar-25	0.00	0.00	0.00	0.00

There have been no transfers between Level 1 and Level 2 during the period.

For cash and cash equivalents, trade receivables, other receivables, short term borrowing, trade payables and other current financial liabilities the management assessed that their fair value is approximate their carrying amounts largely due to the short-term maturities of these instruments.
The fair values of the Company's long-term interest free security deposits are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the market borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

24 Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	Year ended March 31, 2026	Year ended March 31, 2025
Fair Valuation of Equity Instruments	0.00	0.00
Remeasurement of defined benefit obligation	0.00	0.00
Income tax effect	0.00	0.00
	0.00	**0.00**

25 Capital Management

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

(Rs. in Hundred)

Particulars	31 March 2026	31 March 2025
Total Liabilities	3,20,284.85	1,58,092.55
Less: Cash & Cash Equivalents	4,943.45	16,539.90
Net debts	**3,15,341.40**	**1,41,552.65**
Total equity	**11,48,402.57**	**12,07,235.40**
Gearing ratio （%)	**27.46%**	**11.73%**

Derivative instruments and unhedged foreign currency exposure

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

31 March 2026	31 March 2025	31 March 2026	31 March 2025
Foreign Currency	Foreign Currency	Foreign Currency	Foreign Currency
-	-	-	-

ARUR FOOTWEAR LIMITED
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Notes to the financial statement for the year ended March 31, 2026

26 Ratios

(i) Current ratio= Current Assets/ Current Liabilities

(Rs. in Hundred)

Particulars	March 31, 2026	March 31, 2025
Current assets	1,96,657.09	1,63,196.85
Current liabilities	16,253.48	5,709.07
Ratio	12.10	28.59
% change from previous year	**(57.67%)**	

Reason for change more than 25%

The ratio has decreased due to increase in income, inventoriesand other operations during the year.

(ii) Debt Equity ratio = Total debt/ Total equity

Particulars	March 31, 2026	March 31, 2025
Total Debt	3,04,031.37	1,52,383.48
Total Equity	11,48,402.57	12,07,235.40
Ratio	0.26	0.13
% change from previous year	**(109.74%)**	

Reason for change more than 25%

The ratio has increased due to increase in borrowings and increase in operations during the current financial year.

(iii) Debt Service Coverage Ratio= Net Operating Income/ Total interest and principal payments

Particulars	March 31, 2026	March 31, 2025
Net Profit after tax	(58,832.83)	(86,634.48)
Add: Depreciation	0.00	0.00
Add: Finance cost	12,034.68	2,137.75
Net operating income	(46,798.15)	(84,496.73)
Interest cost on borrowings	12,034.68	2,137.75
Principal repayments	1,51,64,789.00	10,02,34,510.00
Total interest and principal repayments	1,51,76,823.68	10,02,36,647.75
Ratio	(0.00)	(0.00)
% change from previous year	**(265.79%)**	

Reason for change more than 25%

The ratio has decreased due to increase in borrowings during the current financial year.

(iv) Return on Equity (ROE) Ratio= Net profit after tax / Average total Shareholders' Equity

Particulars	March 31, 2026	March 31, 2025
Net profit after tax	(58,832.83)	(86,634.48)
Average total shareholders equity	11,48,402.57	12,07,235.40
Ratio	(0.05)	(0.07)
% change from previous year	**(28.61%)**	

Reason for change more than 25%

The ratio has increased due to increase in the operations during the current financial year.

ARUR FOOTWEAR LIMITED
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Notes to the financial statement for the year ended March 31, 2026

(Rs. in Hundred)

(v) Inventory turnover ratio = Cost of goods sold/ Average Inventory

Particulars	**March 31, 2026**	**March 31, 2025**
Cost of materials consumed	540.73	0.00
Average inventory	5,046.83	53.90
Ratio	0.11	0.00
% change from previous year	**0.00**	

Reason for change more than 25%

The ratio has increased due to increase in the operations during the current financial year.

(vi) Trade receivables turnover ratio = Credit sales/ Average trade receivables

Particulars	**March 31, 2026**	**March 31, 2025**
Credit sales	1,495.85	0.00
Average trade receivables	0.00	0.00
Ratio	0.00	0.00
% change from previous year	**100.00%**	

Reason for change more than 25%:

The ratio has increased due to increase in the operations during the current financial year.

(vii) Trade payables turnover ratio = Net credit purchase/ Average trade payables

Particulars	**March 31, 2026**	**March 31, 2025**
Credit purchase	9,418.80	0.00
Average trade payables	0.00	0.00
Ratio	0.00	0.00
% change from previous year	**0%**	

Reason for change more than 25%:

(viii) Net capital turnover ratio= Sales/ net Working Capital

Net working capital= Current assets- current liabilities

Particulars	**March 31, 2026**	**March 31, 2025**
Sales	1,495.85	0.00
Net working capital	1,80,403.61	1,57,487.78
Ratio	0.01	0.00
% change from previous year	**100%**	

Reason for change more than 25%:

The ratio has increased due to increase in the operations during the current financial year.

(ix) Net profit ratio= Net profit after tax/ Sales

Particulars	**March 31, 2026**	**March 31, 2025**
Net profit after tax	(58,832.83)	(86,634.48)
Sales	1,495.85	0.00
Ratio	(39.33)	0.00
% change from previous year	**0.0%**	

Reason for change more than 25%:

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Notes to the financial statement for the year ended March 31, 2026

(Rs. in Hundred)

(x) Return on capital employed ratio= Earnings before interest and tax (EBIT)/ (Total Assets - Total Current Liabilities)

Particulars	March 31, 2026	March 31, 2025
Net profit after tax	(58,832.83)	(86,634.48)
Finance cost	12,034.68	2,137.75
Other income	8,464.46	840.63
EBIT	**(38,333.69)**	**(83,656.10)**
Total assets	14,68,687.42	13,65,327.95
Current liabilities	16,253.48	5,709.07
Capital employed	14,52,433.94	13,59,618.88
Ratio	(0.03)	(0.06)
% change from previous year	**(57.11%)**	

Reason for change more than 25%:

The ratio has increased due to increase in the operations during the current financial year.

27 There are no loan outstanding or granted to promoter, directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person either repayable on demand or without specifying any term of period of repayment.

28 Other Disclosure as per amendment in Schedule-III dated 24th March, 2021.

a) There are no proceedings has been initiated or pending against the entity under the Benami Transactions (Prohibitions) Act, 1988.

b) **Compliance with approved Scheme(s) of Arrangements**
There are none Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

c) **Corporate Social Responsibility Expenditure**
The provision of Corporate Social Responsibility under section 135 of the Act is not applicable to the company.

d) **Details of Crypto Currency or Virtual Currency**
The company has not entered in any transaction relating to Crypto Currency or Virtual Currency during the year.

e) **Relationship with Struck off Companies:**
The entity has not entered into any transaction with such entities whose name has been stuck off u/s 248 of the Act.

f) **Utilization of Borrowings**
No borrowings from banks and financial institutions were taken during the year other than OD Limit on Fixed deposits held as Current Assets.

g) **Wilful Defaulter**
The company has not declared as wilful defaulter. However Hon'ble National Company Law Tribunal Chandigarh Bench, on an application filed by UCO Bank under the provisions of the Insolvency & Bankruptcy Code 2016 (IBC), had admitted the Company M/s. S R Industries Limited (Corporate Debtor) into Insolvency vide its order dated 21.12.2021 and initiated the Insolvency Resolution Process of the Corporate Person (CIRP) of the Company and appointed the Interim Resolution Professional vide the same order. The Interim Resolution Professional was confirmed as Resolution Professional by the COC, in its duly conducted COC meeting.

h) **Compliance with number of layers of companies**
The company has been complied with the provision relating to layers of companies.

i) **Registration of charges or satisfaction with Registrar of Companies:**
The company has registered all the charges with Registrar of Companies within the statutory period.

j) **Undisclosed income**
There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(Rs. in Hundred)

		As at March 31, 2026	As at March 31, 2025
29	Estimated amount of contracts remaining to be executed on Capital Account and not provided for: (Net of Advances)	**NIL**	NIL
30	**Contingent Liabilities not provided for**		
i)	Counter guarantee given in favour of banks against Bank Guarantees issued.	**NIL**	NIL
ii)	Claim against Company not acknowledged as debts	**NIL**	NIL

iii) **Contingent Liability**

Pursuant to the order passed by the Hon'ble National Company Law Tribunal (NCLT) dated July 1, 2024, approving the Resolution Plan in favor of the Successful Resolution Applicant (SRA), all pre-existing contingent liabilities and statutory dues of the Company prior to or during the commencement of the Corporate Insolvency Resolution Process (CIRP) are extinguished. Accordingly, the respective departments and authorities are required to waive the following demands:

a) **HPSEB:** Demands amounting to 16,82,775.
b) **Central Excise:** Demands amounting to 44,00,000. (Note: The matter is pending before the Hon'ble High Court but remains subject to the overarching NCLT order).
c) **Income Tax Department:** Demands amounting to 1,09,04,270.
d) **Income Tax Department (A.Y. 2018-19 & 2017-18):** Demands amounting to 1,63,72,241
e) **Custom Dues:** Demands amounting to 6,70,153.
f) **PF Dues:** Demands amounting to 64,24,676.
g) **BSE:** Penalties amounting to 26,07,800. Pursuant to the waiver application filed by the Company on December 26, 2024, in accordance with the Resolution Plan approved by the Hon'ble National Company Law Tribunal ("NCLT") vide its Order dated July 1, 2024, BSE Limited waived the penalties pertaining to the period prior to July 1, 2024. Consequently, penalties amounting to Rs. 26,07,800, relating to the post-resolution period (i.e., the quarter ended September 30, 2024), remained payable. The Company, without prejudice to its rights and contentions, remitted the said amount under protest on December 6, 2025. The said amount is shown as receivable in Note No. 8 of the Balance Sheet. The Company has challenged the levy before the Hon'ble Securities Appellate Tribunal ("SAT"), Mumbai Bench, by filing an appeal seeking refund of the amount paid. The matter is currently pending adjudication. The same shall be adjusted as and when the final verdict in the matter is received.

As directed by the Hon'ble NCLT, all such statutory dues and contingent liabilities are being written off in the Company's books of account. The Company is actively pursuing necessary actions with the concerned departments to ensure the formal clearance and waiver of these demands.

It is further noted that in the event any residual or unforeseen contingent liabilities materialize despite this clearance, the same shall be borne and paid by the Holding Company, M/s Bazel International Ltd.

iv)	Letters of Credit opened in favour of Inland/Overseas suppliers	**NIL**	NIL

31. **Expenditure In Foreign Currency (on accrual basis)** :

(Rs. in Hundred)

a)	CIF value of Imports	**NIL**	NIL
b)	Expenditure in Foreign Currency		
	- Foreign Travelling	**NIL**	NIL
c)	Earning in Foreign Currency	**NIL**	NIL

32. Balances of certain debtors, creditors, loans and advances are subject to confirmation.

33. In the opinion of the Management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

34. The inventories are taken as per records duly certified by the Company. The same have been valued in accordance with Accounting Policies.

35. **Segmental Reporting** :

The Company is a Manufacturing & trading company. The Company is managed organizationally as a unified entity with various functional heads reporting to the top management and is not organized along product lines. There are therefore, no separate segments within the company as defined by AS-17 (Segmental Reporting) issued by ICAI.

36. As per the information available with the Company in response to the enquiries from existing suppliers with whom Company deals, none of the suppliers are registered with The Micro, Small and Medium Enterprises Development Act, 2006.

37. Additional Information Pursuant to Para 5 of the Part II of Schedule III of the Companies Act, 2013:

(Rs. in Hundred)

Particulars of Sales & stocks	Year Ended March 31, 2026	Year Ended March 31, 2025
Opening stock	**NIL**	NIL
Purchases	**NIL**	NIL
Sales	**NIL**	NIL
Closing Stocks	**NIL**	NIL

38. **Earnings per share (EPS):**

The numerators and denominators used to calculate Basic Earning per share:

(Rs. in Hundred)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Profit/(Loss) for the year	**(58,832.83)**	(86,624.48)
Less : Provision for Income Tax / Deferred Tax	**0.00**	0.00
Less : Income Tax adjustments	**0.00**	10.00
Profit/(Loss) attributable to the Equity Shareholders – (A)	**(58,832.83)**	(86,634.48)
Basic /Weighted average number of Equity Shares outstanding during the year (B)	**1,96,73,500**	1,96,73,500
Nominal value of Equity Shares (Rs)	**10**	10
Basic/Diluted Earnings per share (Rs) – (A)/(B)	**(0.30)**	(0.44)

39. The GST Returns filed monthly by the Company are subject to reconciliation and the differences, if any, with the Books of Accounts, will be dealt with at the time of filing of Annual Return in Form GSTR9 and GSTR9C by the company. GSTR9 & 9C has not been filed by the company from F/Y 2020-21 to F/Y 2022-2023

40. Tax Expense is the aggregate of current year income tax and deferred tax charged to the Profit and Loss Account for the year.

Current Year Charges
No provision for Income tax has been made during the current financial year.

Deferred Tax Liability/Asset
The Company estimates the deferred tax charge using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year.

However, Deferred tax asset has not been recognized in terms of Ind AS 12 issued by ICAI by adopting the conservative approach in respect of ascertained profitability in the future years.

41. **Related Party Disclosures:**
In accordance with the Accounting Standards (Ind AS-24) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A. **Relationships**
(i) Key Managerial Personnel

Pankaj Dawar	:	Managing Director
Deepak Logani	:	Director
Sanjeev Kumar Sapra	:	Director
Deepti Datta	:	Director

Shivam Sharma	:	Company Secretary (upto 11-07-2025)
Nidhi Pathak	:	Company Secretary (12-08-2025)
Manish Kumar Gupta	:	CFO Cum Director

(ii) Holding Company — Bazel International Ltd

(iii) Enterprises owned or significantly Influenced by key management Personnel or their relatives — AMS Infrastructure Pvt Ltd; Masatya Technologies Pvt Ltd

B. The following transactions were carried out with related parties in the ordinary course of business :-

Rs. In Hundred

Particulars	2025-2026	2024-2025
Remuneration		
Nidhi Pathak	**13,251.70**	0.00
Shivam Sharma	**3,566.79**	4,885.14
Advance (Liabilities)		
Closing Balance as on 31.03.2026		
Pankaj Dawar	**1,000.00**	1,000.00
Bazel International Ltd	**1,53,106.13**	18,289.48
AMS Infrastructure Pvt Ltd	**24,451.19**	22,685.35
Masatya Technologies Pvt Ltd	**17,235.36**	15,990.35

42. As per the approved Resolution Plan, by order dated 01 July 2024 of the Hon'ble NCLT, Bazel International Limited (the Successful Resolution Applicant), along with its associates, appointed the Board of Directors of the Company on 22-11-2024. Thereafter, in accordance with the order of the Hon'ble NCLT and the approved Plan, the Company has written off all assets and liabilities appearing in the books of account and debited/credited to Reserves & Surplus. The Company is also taking necessary actions with the statutory departments to resolve all old related matters.

43. Previous years' figures have been regrouped / recasted wherever necessary.

For Krishan Rakesh & Co.
Chartered Accountants
Firm Regn No. : 009088N

For and on behalf of the Board
Arur Footwear Limited
(Formerly S R Industries Limited)

Sd/
K.K. Gupta
Partner
M.No.: 087891

Sd/-
Pankaj Dawar
Managing Director
DIN : 06479649

Sd/-
Deepak Logani
(Director)
DIN : 10842487

Place : Delhi
Date : 28-05-2026

Sd/-
Nidhi Pathak
(Company Secretary)
(PAN : CHIPP6380D)

Sd/-
Manish Kr. Gupta
(CFO)
(PAN:ATPPG5276J)