

# SARUP INDUSTRIES LIMITED

## 39<sup>th</sup> ANNUAL REPORT AND ACCOUNTS 2017-18

CIN: L19113PB1979PLC004014

REGD OFF: - PLOT NO-141, LEATHER COMPLEX, JALANDHAR-144021, PUNJAB (INDIA)

OTHER OFFICE: - P.O. RAMDASPURA, JALANDHAR- 144003, PUNJAB (INDIA)

**GO GREEN!**

**DEAR SHAREHOLDERS,**

**YOU ARE HEREBY REQUESTED TO FURNISH YOUR E-MAIL ADDRESS TO US BY SENDING AND E-MAIL ID TO [shareholders@bawastl.com](mailto:shareholders@bawastl.com) QUOTING YOUR FOLIO NUMBER/DEPOSITORY PARTICIPANT ID AND CLIENT ID OR REGISTER YOUR E-MAIL ADDRESS WITH YOUR RESPECTIVE DEPOSITORY PARTICIPANT.**

**THEREAFTER, THE E-MAIL ADDRESSES AVAILABLE IN OUR RECORDS OR WITH YOUR DEPOSITORY PARTICIPANT SHALL BE DEEMED TO BE YOUR REGISTERED E-MAIL ADDRESS FOR SERVING NOTICES/DOCUMENTS, ETC. INCLUDING THOSE COVERED UNDER THE COMPANIES ACT, 2013 (THE ACT). IN THE EVENT OF ANY CHANGE IN YOUR E-MAIL ADDRESS FOR RECEIVING FUTURE COMMUNICATION/DOCUMENTS, YOU ARE REQUESTED TO UPDATE THE SAME WITH US OR YOUR DEPOSITORY PARTICIPANT.**

**WE SINCERELY LOOK FORWARD TO YOUR SUPPORT IN THIS INITIATIVE.**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

MR. SIMARJIT SINGH BAWA  
(MANAGING DIRECTOR)

MR. ATAMJIT SINGH BAWA  
(WHOLE-TIME DIRECTOR)

MS.LISSY JACOB  
(DIRECTOR)

MR.LAJPAT SANGWAN  
(DIRECTOR)

MR.SURINDER SINGH CHEEMA  
(INDEPENDENT DIRECTOR)

MR.GURENDRA SINGH BEDI  
(INDEPENDENT DIRECTOR)

MR.ASHWANI ARORA  
(INDEPENDENT DIRECTOR)

MS.HARNARINDER KAUR  
(INDEPENDENT DIRECTOR)

### **REGISTERED OFFICE**

PLOT NO-141, LEATHER COMPELEX  
JALANDHAR-144021, PUNJAB (INDIA)

### **PLANT LOCATIONS**

- (1) PLOT NO.141, LEATHER COMPLEX  
KAPURTHALA ROAD, JALANDHAR
- (2) UNIT NO V, VILL SHYAMPUR  
TAHLIWAL, UNA, (H.P.)
- (3) PLOT NO 73, PHASE-IV, SECTOR-56  
HSIIDC, INDUSTRIAL AREA, KUNDLI  
SONIPAT, HARYANA

### **COMPANY SECRETARY**

MS. MEGHA GANDHI

### **CHEIF FINANCIAL OFFICER**

MR. CHAKKARWARTI SHARMA

### **AUDITORS**

M/S VSAP & ASSOCIATES  
LANE NO-1 PATEL NAGAR,  
OPP OLD SABJI MANDI MAIN GATE  
BANGA ROAD, PHAGWARA-144401

### **BANKERS**

STATE BANK OF INDIA  
-JALANDHAR BRANCH, PUNJAB  
-MEHATPUR BRANCH, UNA. H.P  
-KUNDLI BRANCH, SONIPAT,  
HARYANA

### **LEGAL ADVISOR**

V.K. SAREEN  
7-NEW RAJENDRA NAGAR  
POLICE LINES ROAD, JALANDHAR

### **REGISTRAR & TRANSFER AGENTS**

SKYLINE FINANCIAL SERVICES PVT LTD  
D-153 A, 1ST FLOOR, OKHLA  
INDUSTRIAL AREA  
PHASE – I, NEW DELHI- 110020

### **OTHER OFFICE FOR MAINTAINANCE OF BOOKS OF ACCOUNTS OF THE COMPANY**

P O RAMDASPURA, JALANDHAR  
144003, PUNJAB (INDIA)

### **NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **39<sup>th</sup> (Thirty Ninth)** Annual General Meeting of the Members of Sarup Industries Limited will be held at Prithvi's Planet, Guru Teg Bahadur Nagar, Jalandhar, 144003 Punjab on **Friday, the 28th day of September, 2018 at 11:00 A.M** for the transaction of the following businesses:

#### **ORDINARY BUSINESS**

##### **Item No.1- Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2018, together with the Reports of the Directors and the Auditors thereon.

##### **Item No.2- Retire By Rotation**

To appoint a Director in place of Mr, Lajpat Sangwan (DIN: 07035654) who retires by rotation and being eligible, offers himself for re-election.

##### **Item No.3- Ratification of the Appointment of Auditors**

To ratify the appointment of Auditors of the Company who were appointed at the 38th Annual General Meeting, for 5 (Five) consecutive years till the conclusion of the 43rd Annual General Meeting of the Company in the Calendar year 2022 and in this regard, to consider and, if thought fit, to pass, with or without modification (s) the following resolution thereof as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, the appointment of M/S VSAP & ASSOCIATES, Chartered Accountants, (Firm Registration No. 018705N), who were appointed in 38th Annual General Meeting to hold the office until the conclusion of 43rd Annual General Meeting of the Company to be held in the calendar year 2022, be and is hereby ratified, and that they shall be paid a remuneration as fixed by the Board of Directors of the Company."

By Order of the Board of Directors  
For Sarup Industries Ltd

Simarjit Singh Bawa  
Managing Director  
DIN: 00851651

Atamjit Singh Bawa  
Whole-Time Director  
DIN:00807400

Place: Jalandhar  
Date: 28.08.2018

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE OTHER OFFICE OF THE COMPANY AT P.O. RAMDASPURA, JALANDHAR-144003, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM I.E. BY 11:00 A.M. ON FRIDAY 28<sup>TH</sup> SEPTEMBER, 2018.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
4. In case of joint holders attending the meeting, only such joint holder who is in higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will be closed from 23rd September, 2018 to 28th September, 2018 (both days inclusive)
6. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their De-Mat Accounts immediately. Members holding shares in physical form are requested to advise any changes of address immediately to Registered Office of the Company or to Registrar M/s Skyline Financial Services Pvt. Limited.
7. Those Members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 124 of the Companies Act, 2013 on the respective dates mentioned there against. Please note that as per Section 124 of the Companies Act, 2013, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date the dividend became due for payment and no payment shall be made in respect of such claims.

<b>Dividend for the Financial Year ended</b>	<b>Due date for Transfer</b>	<b>Dividend for the Financial Year ended</b>	<b>Due date for Transfer</b>
31.03.2011	29th October, 2018	31.03.2014	28th October, 2021
31.03.2012	28th October, 2019	31.03.2015	28th October, 2022
31.03.2013	28th October, 2020	31.03.2017	28th October, 2024

Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 2010-11 onwards before the respective amounts become due for transfer to the above fund.

8. SEBI vide Securities and Exchange Board of India (Listing Obligations And Disclosure Requirement) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 states that, "Provided that, except in case of transmission and transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."

In compliance to the said amendment, Sarup Industries Limited will not process or rather shall not entertain any request for transfer of shares held in physical form with effect from 5th December, 2018 and it shall be mandatory to dematerialize the securities for getting the shares transferred.

Shareholders are advised to note the above and take all necessary steps at their end and convert their shares in dematerialized form at the earliest.

9. Members are requested to bring their attendance slips to the AGM. Duplicate admission slips and/or copies of the Annual Report and Accounts will not be provided at the AGM venue.
10. Route Map showing directions to reach to the venue of the 39<sup>th</sup> AGM is given at the end of this Notice as per the requirements of Secretarial Standards-2 on General Meeting.

#### **Remote e-voting Instructions & Information**

##### **A. Basic Instructions & Information**

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('remote e-voting') in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr. Ankit Gandhi, Company Secretary, as the Scrutinizer for this purpose.
2. The Notice of the 39th Annual General Meeting (AGM) of the Company inter-alia indicating the process and manner of remote e-voting is being sent to all the Members.
3. NSDL shall be sending the User ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants. For members who have not registered their email address, can use the details as provided in this document.
4. Open the internet browser and type the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
5. Click on Shareholder-Login
6. Put User ID and Password as provided in this document and click Login. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password for the Login.
7. If you are logging in for the first time, the Password change menu will appear. Change the Password with new Password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. Once the remote e-voting home page opens, click on remote e-voting: Active Voting Cycles.
9. Select "EVEN (Electronic Voting Event Number)" of **SARUP INDUSTRIES LIMITED**.
10. Once you enter the Cast Vote page will open. Now you are ready for remote e-voting.

11. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
12. Upon confirmation, the message "Vote cast successfully" will be displayed.
13. Once you have voted on the resolution, you will not be allowed to modify your vote.

**B. In case of Members who receive the Notice by post:**

User ID and initial password is provided in the separate sheet.

**C. Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.**

Thereafter please follow the steps as per instruction given overleaf on separate sheet, to cast your vote.

- D.** In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and remote e-voting User Manual for Shareholders available under the Downloads section of NSDL's remote e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) You may also address your queries relating to remote e-voting to the e-mail ID [shareholders@bawastl.com](mailto:shareholders@bawastl.com)

**E. The period for remote e-voting starts at IST 10.00 a.m. on Monday, 24<sup>th</sup> September, 2018 and ends at IST 5.00 p.m. on Thursday, 27<sup>th</sup> September, 2018**

**Remote e-voting shall be disabled by NSDL at IST 5.00 p.m. on 27<sup>th</sup> September, 2018.**

**F. General Information**

- (a) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Remote e-voting right cannot be exercised by a proxy.
- (c) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorisation, with the specimen signature(s) of the authorized signatory (ies) duly attested, to the Scrutinizer through e-mail at [csankitgandhi@gmail.com](mailto:csankitgandhi@gmail.com) with a copy marked to NSDL's e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (d) **The Results of the remote e-voting will be declared on or after the date of the AGM i.e. Friday 28<sup>th</sup> September, 2018.**
- (e) The declared Results, along with the Scrutinizer's Report, will be available on the Company's corporate website [www.sarupindustries.com](http://www.sarupindustries.com) under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

By Order of the Board of Directors  
For Sarup Industries Ltd

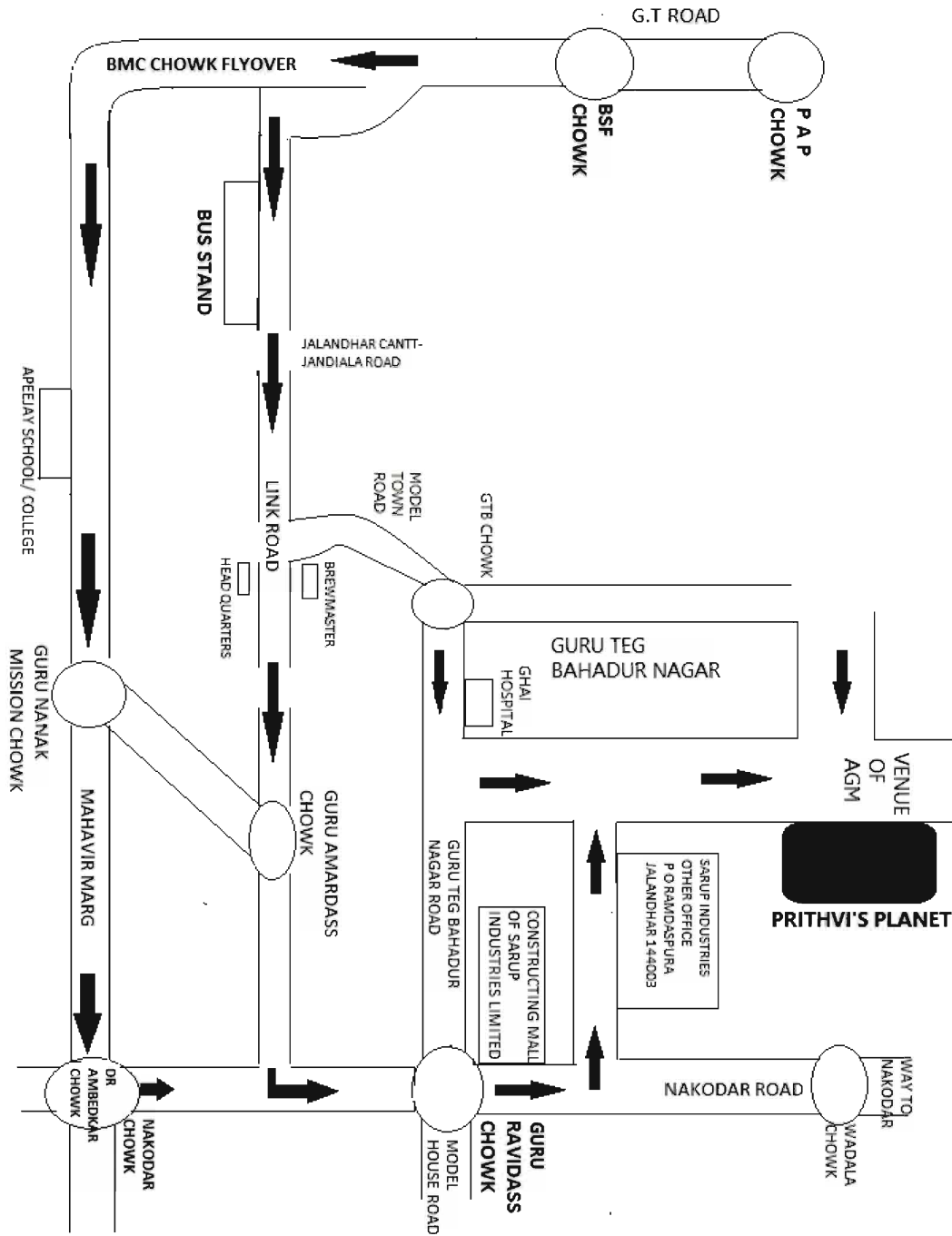
Simarjit Singh Bawa  
Managing Director  
DIN:00851651

Atamjit Singh Bawa  
Whole-Time Director  
DIN:00807400

Place: Jalandhar  
Date: 28.08.2018



# ROUTE MAP OF 39<sup>TH</sup> AGM OF SARUP INDUSTRIES LIMITED



**DIRECTORS' REPORT**

To  
The Members

Your Directors have pleasure in presenting their 39<sup>th</sup> Annual Report on the Business and operations of a Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2018.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year under review along with previous year figures is given hereunder:

	(Fig in ₹ Lacs) Year ended March 31st 2018	(Fig in ₹ Lacs) Year ended March 31st 2017
Sales of products and services	4421.31	4971.05
Other Income	134.35	9.63
<b>Total Income</b>	<b>4555.66</b>	<b>4980.68</b>
Total Expenditure other than Interest and Depreciation	4451.30	4571.74
Profit before Interest, Depreciation and Tax	104.36	408.94
Depreciation and Amortization Expenses	189.52	173.10
Profit before Interest and Tax	-85.16	235.84
Finance Cost (net)	243.17	181.46
Profit before Tax	-328.42	54.38
Provision for Current Tax	0.00	0.00
Tax expense	0.00	0.98
Provision for Deferred Tax	0.00	2.56
<b>Net Profit</b>	<b>-328.42</b>	<b>50.81</b>
Adjustments in respect of prior years		
Surplus brought forward	144.95	133.16
<b>Profit after Tax available for appropriation</b>	<b>-183.47</b>	<b>183.97</b>
Appropriations	-15.22	0.00
<b>Your Directors recommend appropriation as under:</b>		
Proposed Dividend on Equity Shares	0.00	32.52
Dividend Tax on Proposed Dividend	0.00	6.50
Transfer to General Reserve	0.00	0
Income Tax /TDS/ wealth Tax Provision	0.00	0
Surplus Carried Forward	-198.69	144.95
<b>Net Surplus in the Statement of profit and Loss A/c</b>	<b>-198.69</b>	<b>144.95S</b>

**2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

The highlights of the Company's performance are as under:

- Revenue from operations decreased this year by 11% to Rs. 44,21,31,482/-
- Sales also decreased by 11% to Rs. 44,21,31,482/-

Further our Company putting the efforts to cover all the losses of the company and increase the sale as well as revenues of the Company this year.

### **3. PROPOSED TRANSFER TO GENERAL RESERVES**

This year, as per section 134(3) (j) of Companies Act, 2013 no amount has transferred to the General Reserve.

### **4. DIVIDEND**

In order to conserve the resources of the Company, the director's have decided not to declare any Dividend for the Financial year 2017-18.

### **5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The Company has planned to achieve the maximum capacity utilization to bring down the overhead cost. For this, the company has Re-launched "Lotus Bawa" leather Shoes in March 2018. First phase has been already launched in Andhra Pradesh then Kerala and Delhi also.

Further Company also tied up with Amazon US for "Lotus Bawa" leather Shoe Range in March 2018.

In regard to Coral Mall Project at P.O. Ramdaspora, Jalandhar the Company is in last stage to get pollution related clearance and regulatory approvals from Department which will be received at any time. The construction of the Mall will be resuming at the earliest after getting all official approvals.

### **6. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is none of the above mentioned order(s) which impacts the going concern status and company's operations in future.

### **7. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

There is an adequate system of internal controls for the Company. The system is designed to adequately ensure the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company also carries out regular internal audits to test the adequacy and effectiveness of its internal control processes and also to suggest improvement and upgrades to the Management. The Company has disclosure controls and procedures in place that are designed to provide reasonable assurance that material information relating to Intellect is disclosed on a timely basis.

## **8. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY**

The Company has adopted measures concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself are as follows:-

- a. High competition from East European countries and other Asian countries
- b. International price fluctuation
- d. Lack of warehousing support from the government

## **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure "A"** and is attached to this report.

## **10. CORPORATE SOCIAL RESPONSIBILITY**

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

## **11. EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure "B"** as Form MGT-9 and is attached to this Report.

## **12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in **Annexure "C"** as Form AOC-2 and is attached to this report.

## **13. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **15. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review, no amount of principal or interest was outstanding on the date of balance sheet.

#### **16. BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS**

##### **a) Board Meetings**

The Board of Directors of the Company met eight (8) times during the financial year 2017-18. The details of various Board Meetings are provided in the Corporate Governance Report.

##### **b) Changes In Directors and Key Managerial Personnel**

- Mr. Ramesh Chand Sharma has been Resigned from the post of Chief Financial officer & KMP of the Company w.e.f. 12.02.2018
- Mr. Chakkarwari Sharma has been appointed as Chief financial officer under the category of KMP of the Company w.e.f. 13.02.2018

##### **c) Re-Appointment**

In accordance with the provisions of the Act-

- Mr. Lajpat Sangwan, Director is liable to retire by rotation at this Annual General Meeting and being eligible have offers himself for re-appointment.

##### **d) Independent Directors**

The Company has received declarations from all the Independent Directors of the Company under section 149(7) of the Act, that they meet the criteria of independence as laid down under 149(6) of the Act.

##### **e) Details of Ratio of Remuneration to Directors**

The information relating to remuneration of directors as required under Section 197(12) of the Act, is given in **Annexure "D"**

**f) Board Committees**

The Board has constituted 3 committees which are as follows:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

**g) Board Evaluation**

As required under the provisions of Section 134(3) (p) the Board has carried out an annual performance evaluation of its own performance, and the manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of such as exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors/ Committees of which he/she is a member/ general meetings, participation constructively and actively in the meetings of the Board /committees of the Board, etc.

In separate meeting if Independent directors, performance of non-independent directors , the chairman of the Company and the board as a whole was evaluated.

**i). Vigil Mechanism**

The Company has established a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit committee. Employees may also report to the Chairman of the Audit Committee.

During the year under review, no employee was denied access to the Audit Committee.

**j) Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no other material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

As per Section 186 of the Companies Act, 2013, no loans, guarantees and investments made by the company during the financial year 2017-18.

**18. AUDITORS**

M/S VSAP & ASSOCIATES, Chartered Accountants, (Firm Registration No. 018705N) was appointed as statutory auditors of the Company in 38th Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company to be held in the calendar year 2022.

## **19. CORPORATE GOVERNANCE**

Your Company has been complying with the provisions of Corporate Governance as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. A separate report on Corporate Governance along with Auditors' certificate on compliance of the Corporate Governance norms as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.

The Register of Members and Share Transfer books of the company will be closed with effect from 23rd September, 2018 to 28th September, 2018 (both days inclusive).

## **20. Disclosure as required under Section 22 of 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. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of the complaints received and disposed off during the financial year 2017-18:

- (a) No. of complaints received: NIL
- (b) No. of complaints disposed: NIL

## **21. LISTING FEES**

The Company confirms that it has paid the annual listing fees for the year 2017-18 to Bombay Stock Exchange Limited.

## **22. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

By Order of the Board of Directors  
For Sarup Industries Ltd

Simarjit Singh Bawa  
Managing Director  
DIN:00851651

Atamjit Singh Bawa  
Whole-Time Director  
DIN:00807400

Place: Jalandhar  
Date: 28.08.2018

**ANNEXURE 'A'**  
**Forming Part of the Directors' Report**

**Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

[Clause (m) of sub-section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014]

**A) Conservation of Energy**

**1) Energy Conservation measures undertaken: -**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put on undertaking specific energy conservation projects like:

- I. Utilization of lights and other electrical equipments only when need arise.
- II. Optimizing chiller/ split/ package AC set to maintain space temperature @ 26 degree centigrade.
- III. Auto shutting down of systems to reduce UPS power consumption.
- IV. Any other measures as recommended by the concerned department for maximum conservation.

**2) Additional investments and proposals:**

- I. Replacement of conventional lighting with energy efficient lights to reduce lighting power consumption.
- II. Expenditure on power and fuel during the year ending 31<sup>st</sup> March, 2018 under review is Rs. 112.06 lakh as compared to Rs. 113.08 lakh during year ending 31<sup>st</sup> March, 2017.

**B) Technology Absorption**

**(i) Efforts, in brief made towards absorption:**

Induction of contemporary technology and continuous improvement projects across businesses towards reducing process variability, cycle time and wastage while enhancing manufacturing productivity.

The Company is using the modern technology in the manufacturing process. As a result there has been a marked Improvement in the quality of the products manufactured by the Company besides lowering the cost of production. The technology has been fully absorbed.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution**

- (a) Development of products international quality.
- (b) New techniques and technology of production.



(c) Provide benefits that are cost effective from both an individual and a company perspective.

(d) Continuous and strengthened technical efforts for development and Production of wide range of shoes.

**(iii) Details of Import of Technology (imported during the last three years)**

The details of which are as follows:-

S.No.	Details of Technology Imported	Technology Import from	Year of Import	Status Implementation/ Absorption
1.	Moulds for Footwear	China	2017-18	In Operations
2.	EVA sole injection Mould/ RB Mould/ PVC Mould	China	2017-18	In Operations
3.	Easement Needle Detector Machine	China	2017-18	In Operations
4.	EVA and Rubber Mould	China	2016-17	In Operations
5.	4 set of Vulcanizing Press for Automatic Rubber Compression Molding Machine for Rubber Outsole	Taiwan	2015-16	In Operations
6.	PVC Direct Injection Soling Machine	Taiwan	2015-16	In Operations

**(i) Expenditure incurred on Research & Development**

S.No.	Particulars	Amount (in Rs.)
1.	Business promotion expenses	46,700/-
2.	Salary to development & designing staff and workers	20,67,887/-

**(ii) Foreign Exchange Earnings and Outgo**

The information relating to foreign exchange earnings and outgo is provided under Note No. 29 to the Financial Statements attached herewith.

By Order of the Board of Directors  
For Sarup Industries Ltd

Simarjit Singh Bawa  
Managing Director  
DIN:00851651

Atamjit Singh Bawa  
Whole-Time Director  
DIN:00807400

Place: Jalandhar  
Date: 28.08.2018

**ANNEXURE 'B'**  
**Forming Part of the Directors' Report**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2018**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L19113PB1979PLC004014
2.	Registration Date	27/07/1979
3.	Name of the Company	SARUP INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE/INDIAN NON GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	P.O. RAMDASPURA, JALANDHAR, PUNJAB 0181-2271556/7/8
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES PVT LTD SHOP NO.D-153/A, I-AREA, OKHLA PHASE I, OKHLA INDUSTRIAL AREA, NEW DELHI, DELHI 110020 Tel.: +91 11 64732681-88

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of footwear	1520	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Not applicable	Not applicable	Not applicable

Note-The Company have no holding, subsidiary or associate company

**III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Changed During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter &amp; Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2418500	0	2418500	74.36	2418500	0	2418500	74.36	0
b) Central Govt/	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e)Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter(A)</b>	2418500	0	2418500	74.36	2418500	0	2418500	74.36	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	91991	5000	96991	2.98	39119	5000	44119	1.36	1.62
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0

i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	363643	158363	522006	16.05	423409	154763	578172	17.78	1.73
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	194309	0	194309	5.97	172078	0	172078	5.29	0.69
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	3725	0	3725	0.11	8262	0	8262	0.25	0.14
Hindu Undivided Family	13469	0	13469	0.41	12345	0	12345	0.38	0.03
Clearing Members	0	0	0	0	15524	0	15524	0.48	0.48
NBFCs Registered with RBI	3400	0	3400	0.1	3400	0	3400	0.1	0
<b>Sub-total (B)(2):-</b>	<b>670537</b>	<b>163363</b>	<b>833900</b>	<b>25.64</b>	<b>674137</b>	<b>159763</b>	<b>833900</b>	<b>25.64</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>670537</b>	<b>163363</b>	<b>833900</b>	<b>25.64</b>	<b>674137</b>	<b>159763</b>	<b>833900</b>	<b>25.64</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>3086137</b>	<b>166263</b>	<b>3252400</b>	<b>100.00</b>	<b>3092637</b>	<b>159763</b>	<b>3252400</b>	<b>100.00</b>	<b>0.00</b>

**(B) Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MANJIT BAWA	1040800	32.00	0	2257094	69.40	0	37.4
2	SIMARJIT SINGH BAWA	486646	14.96	0	161406	4.96	0	- 10.0
3	ATAMJIT SINGH BAWA	891054	27.40	0	0	0.00	0	- 27.4

**(C) Change in Promoters' Shareholding (There is no change in promoters' shareholding)**

S. No.	Particulars	Shareholding at the beginning of the year/at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2418500	74.36	2418500	74.36
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	2418500	74.36	2418500	74.36

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No	Name of the Shareholder	Shareholding		Date (as on or before)	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (1.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares at the beginning (1.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company
1.	Subramanian P	57680	1.77	01/04/2017				
		57680	1.77	31/03/2018	0	No Change		
2.	Puneet Dewan	32057	0.98	01/04/2017	0	No Change		
		32057	0.98	31/03/2018				
3.	Anant Prasad Agrawal	5251	0.16	07/04/2017	300	Purchase	5551	0.17
				14/04/2017	12000	Purchase	17551	0.53
				05/05/2017	1434	Purchase	18985	0.04
				16/06/2017	15	Purchase	19000	0.00
				13/10/2017	730	Purchase	19730	0.02
				27/10/2017	20	Purchase	19750	0.00
				28/12/2017	4988	Purchase	24738	0.15
				02/02/2018	618	Purchase	25356	0.01
				23/02/2018	1345	Purchase	26701	0.04
				09/03/2018	219	Purchase	26920	0.00
				15/03/2018	2375	Purchase	29295	0.07
		29295	0.90	31/03/2018				
4.	Rajesh Kumar Agrawal	6084	0.19	07/04/2017	11920	Purchase	18004	0.55
				21/04/2017	536	Purchase	18540	0.57
				05/05/2017	460	Purchase	19000	0.01
				13/10/2017	3700	Purchase	22700	0.11
				28/12/2017	4850	Purchase	27550	0.15
				02/02/2018	1509	Purchase	29059	0.05
				09/03/2018	136	Purchase	29195	0.90
		29195	0.90	31/03/2018				
5.	Manoj Dua	72212	2.20	01/04/2017				
				04/04/2017	1972	Purchase	74184	2.28
				09/06/2017	(6009)	Sale	68175	2.09
				23/06/2017	(11894)	Sale	56281	1.73
				30/06/2017	(722)	Sale	55559	1.71
				07/07/2017	(3204)	Sale	52355	1.61
				08/09/2017	(12078)	Sale	40277	1.24
				28/12/2017	(16426)	Sale	23851	0.73
		23851	0.73	31/03/2018				
6.	Ramakant & Co Pvt Ltd	23803	0.73	01/04/2017				
					0	No Change		
		23803	0.73	31/03/2018				
7.	Shashi Kant	20000	0.61	01/04/2017				
					0	No Change		
		20000	0.61	31/03/2018				
8.	Vandna	20000	0.61	01/04/2017				
					0	No Change		
		20000	0.61	31/03/2018				
9.	Y Gokul	0		01/04/2017				
				05/12/2017	16439	Purchase	16439	0.51
		16439	0.51	31/03/2018				
10.	Pawan Kumar	15600	0.48	01/04/2017				
					0	No Change		
		15600	0.48	31/03/2018				

**E) Shareholding of Directors and Key Managerial Personnel**

S.N	Name of the Shareholder	Shareholding		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (1.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares at the beginning (1.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company
1	Atamjit Singh Bawa	891054	27.40	31/03/2017			891054	27.40
					891054	Sale	891054	27.40
		0	0	31/03/2018			0	0
2	Simarjit Singh Bawa	486646	14.96	31/03/2017			486646	14.96
					325240	Sale	325240	10.00
		161406	04.96	31/03/2018			161406	04.96
3	Gurendra Singh Bedi	200	0.0061	31/03/2017			200	0.0061
					0	No Movement		
		200	0.0061	31/03/2018			200	0.0061

**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits (in Lacs)	Unsecured Loans (in Lacs)	Deposits (in Lacs)	Total Indebtedness (in Lacs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1779.14	1694.05	0	3473.19
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1779.14</b>	<b>1694.05</b>	<b>0</b>	<b>3473.19</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	330.15	313.24	0	643.39
* Reduction	(349.45)	0	0	(349.45)
<b>Net Change</b>	<b>(19.3)</b>	<b>313.24</b>	<b>0</b>	<b>293.94</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1759.84	2007.29	0	3767.13
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1759.84</b>	<b>2007.29</b>	<b>0</b>	<b>3767.13</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Atamjit Singh Bawa	Simarjit Singh Bawa	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,48,000	2,67,600	4,15,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	1,75,861	1,75,861
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	1,48,000	4,43,461	5,91,461
	Ceiling as per the Act*			

\* Ceiling: It is in accordance with the ceiling as specified under Section 197(1) of Companies Act, 2013.

**B. Remuneration to other directors**

S.No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1	Independent Directors	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act*				

\* Ceiling: It is in accordance with the ceiling as specified under Section 197(1) of Companies Act, 2013.

\*\* Sitting Fee: No sitting fee shall be paid to any of Directors for attending the meetings of the Board of Directors or any Committees thereof.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD .**

SN	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary Ms. Megha Gandhi	Chief Financial Officer Mr. Ramesh Chand Sharma	Chief Financial Officer Chakkarwari Sharma	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,86,000	2,08,570	24,000	4,18,570
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	42,000	3,49,260	53,410	4,44,670
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	-as % of profit	NIL	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	2,28,000	5,57,830	77,410	8,63,240

\*Mr. Ramesh Chand Sharma has been resigned in February so Remuneration counted above is for 10.5 months.

Mr. Chakkarwari Sharma has been appointed in February so Remuneration counted above is for 1.5 months only.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties or punishments levied on the Company during the financial year. Also, there was no necessity for the Company to compound any offence.

By Order of the Board of Directors  
For Sarup Industries Ltd

Place: Jalandhar  
Date: 28.08.2018

Simarjit Singh Bawa  
Managing Director  
DIN:00851651

Atamjit Singh Bawa  
Whole-Time Director  
DIN:00807400



**ANNEXURE 'C'**  
**Forming Part of the Directors' Report**  
**Form No. AOC-2**

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

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship- NIL
- (b) Nature of contracts/arrangements/transactions- NIL
- (c) Duration of the contracts / arrangements/transactions- NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any- NIL
- (e) Justification for entering into such contracts or arrangements or transactions- NIL
- (f) date (s) of approval by the Board- NIL
- (g) Amount paid as advances, if any- NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188- NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship- Bawa Skin, a partnership firm where relatives' of promoters of M/s Sarup Industries Ltd are partners.
- (b) Nature of contracts/arrangements/transactions- Leasing or Buying of property.
- (c) Duration of the contracts / arrangements/transactions- 3 Years
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any-For sale/purchase of footwear, leather goods, providing/receiving services, leasing and other allied goods and services.
- (e) Date(s) of approval by the Board, if any-11.02.2016
- (f) Amount paid as advances, if any- 46,295,564.47/-

By Order of the Board of Directors  
For Sarup Industries Ltd

Simarjit Singh Bawa  
Managing Director  
DIN:00851651

Atamjit SinghBawa  
Whole-Time Director  
DIN:00807400

Place: Jalandhar  
Date: 28.08.2018

**ANNEXURE 'D'**  
**Forming Part of the Directors' Report**  
**Details of Ratio of Remuneration of Directors**

[Section 197(12), read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of the Director</b>	<b>Ratio to the Median (approx)</b>
	Mr. Simarjit Singh Bawa, Managing Director	2.80
	Mr. Atamjit Singh Bawa, Whole-Time Director	1.00
	Mr. Lajpat Sangwan, Executive Director	3.25
	Ms. Lissy Jacob, Executive Director	3.75
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name of the Directors &amp; Key Managerial Personnel</b>	<b>% increase</b>
	No Increase this year.	
(iii) the percentage increase in the median remuneration of employees in the financial year;	5.00%	
(iv) the number of permanent employees on the rolls of company;	850 (Approx)	
(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;	Average increase in employees salary : 5% Average increase in managerial personnel salary (if any) : 10%	
(vi) the key parameters for any variable component of remuneration availed by the directors;	Variable Pay is in accordance with the performance of the company as well as the individual.	
(vii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, the remuneration is as per the Remuneration Policy of the Company.	

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies(Appointment and Remuneration Personnel)Rules, 2014]

The Members,  
Sarup Industries Limited  
Jalandhar

We have conducted the secretarial audit for the financial year 2017-18 of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Sarup Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Sarup Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 has complied with the statutory provisions listed hereunder and also that the Company has followed the proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the amendments made there under from time to time;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 and the amendments made there under from time to time;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act, 2013 and dealing with client;
  - e) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

The following regulations and Guidelines of SEBI are not applicable to the company as no such event took place in the Company:

- a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- d. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

(vi) Other laws applicable on the Company including:

- Micro, Small and Medium Enterprises Development Act, 2006
- Factories Act, 1948,
- Industrial Dispute Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946
- The Employee Compensation Act, 1923
- The Apprentices Act, 1961
- Income tax Act, 1961
- Other Taxation Laws

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

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

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

- The Company had not filed e-forms IEPF-6, IEPF-2 & IEPF-4 during the financial year 2017-18 with the Ministry of Corporate Affairs as required under Companies Act, 2013 and rules framed thereunder;
- The Company had deposited the amount of dividend declared into a scheduled bank after the 5 days from the date of declaration of dividend as required under the Companies Act, 2013 and rules framed thereunder;

(ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Regulations mentioned above.

We further report that:-

- Ø The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
- Ø 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.
- Ø 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.
- Ø Decisions of the Board Meetings, as represented by the management, were taken unanimously.

Place: Jalandhar  
Dated: 28/08/2018

For Dinesh Gupta & Co.  
Company Secretaries  
(Dinesh Gupta)  
FCS 3462; C. P. No.: 1947

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Note: This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure - A**

The Members  
Sarup Industries Limited  
Jalandhar

We have conducted the secretarial audit for the financial year 2017-18 of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sarup Industries Limited.

1. The maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 Dinesh Gupta & Co.  
Company Secretaries

Place: Jalandhar  
Dated: 28/08/2018

(Dinesh Gupta)  
FCS 3462; C. P. No.: 1947

**Explanation/Comments on Secretarial Auditor Report made by Board:**

- In regard to Secretarial Audit Report's qualification regarding transfer funds to Dividend Account, the Board hereby places its reply that Company's AGM was held on 29th September, 2017 & last date to transfer funds to Dividend Account was 4th September, 2017. Between day of AGM & last date to transfer dividend, there were three consecutive bank holidays during which banks remain closed. Due to practical difficulties the company was able to deposit funds to Dividend Account maintained with bank on 07.10.2017 only. This discrepancy was caused inadvertently and the Board shall take care of same in future.
- In respect to Secretarial Auditor's observation regarding not filed e-forms IEPF-6, IEPF-2 & IEPF-4 during the financial year 2017-18 with the Ministry of Corporate Affairs as required under Companies Act, 2013 and rules framed there under we hereby places our reply that we are in process of filing e-forms IEPF-6, IEPF-2 & IEPF-4 during the financial year 2017-18 with as applicable late fees to the Ministry of Corporate Affairs. This discrepancy was caused inadvertently and the Board shall take care of same in future.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENT

Indian Leather Industry plays a vital role in the growth of the economy. The industry is poised for adopting the modern and state-of-the-art technology to suit the exacting international requirements and standards. The footwear sector has matured from the level of manual footwear manufacturing methods to automated footwear manufacturing systems. Now the Indian Footwear Industry is gearing up to leverage its strengths towards maximizing benefits

Being a labour intensive industry, its contribution to employment as well as Indian economy is significant. It has potential to provide employment across all sections of the economy especially weaker sections and minority communities in India. Quality consciousness, research & development, abundance of raw material, labour, export potential and low cost are some of the distinct features of the Indian Footwear Industry. However, to maintain the growth trajectory, there is need of a purposeful review of programmes and policies of human resources development to rejuvenate it.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Research and Development.</li> <li>• Easily accessible Raw material.</li> <li>• Growing international &amp; domestic market Outsourcing.</li> <li>• Government support in various subsidy schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental problems.</li> <li>• Dependence on imported machines and components</li> <li>• Dependency on footwear sale.</li> <li>• Insufficient Enterprising Attitude of the Industry</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Use of e-commerce in direct marketing.</li> <li>• Growing fashion consciousness globally as well as domestic market</li> <li>• Increase quality, innovation, competition &amp; brand building.</li> </ul>	<ul style="list-style-type: none"> <li>• Entry of multinational in domestic market.</li> <li>• Increasing trend of E-commerce.</li> <li>• Stricter international standards.</li> <li>• Major part of the industry is unorganized.</li> </ul>

### OUTLOOK

In the transforming era, where footwear industry in India has shown an outgrowth in the recent years due to its increased demand. With the arrival of latest advancements, the growth of non-leather footwear in India has become prominent.

The future growth of the footwear industry in India will continue to be market-driven, and oriented towards EU and US markets. With technology and quality of the footwear improving year after year, Indian Footwear industry is stamping its class and expertise in the global footwear trade.

The success and eminence of "Lotus Bawa" began as the dream of one man extended to be transformed into the dream of many. We strive to accomplish our dreams and goals to bring greater effulgence in the future. For this, the company has Re-launched "Lotus Bawa" leather Shoes in March 2018. First phase has been already launched in Andhra Pradesh then Kerala and Delhi also.

Further Company also tied up with Amazon US for "Lotus Bawa" leather Shoe Range in March 2018.

### **THE CHANGING CONSUMER BEHAVIOUR**

Indian consumers are also evolving with the market - habits, lifestyles, tastes and preferences. The advent of organized retailing malls and multiplexes has transformed the shopping habits and purchase behavior of the Indian consumer. There are significant changes that can be seen in the purchasing behavior of Indian consumer. The modern consumer wants his purchases to reflect his lifestyle aspiration. With rise in income & increased awareness about products and proliferation of choices, consumers have become pickier with purchases.

### **ANALYSIS OF FINANCIAL CONDITION & RESULTS**

During the year sale as well as revenue of your Company is decreased. Revenue from operations and sale decreased this year to Rs. 44,21,31,482/-

But your Company putting the efforts to cover all the losses of the company and trying to increase the sale as well as revenues of the Company this year. For this, the company has already re-launched its own Brand "LOTUS BAWA" again and receiving good response in the market.

### **ENVIRONMENT PROTECTION**

The footwear industry aims to achieve environmental protection objectives such as waste reduction, recycling and recuperation of secondary raw materials. Environment protection is integral part for any industry. Your Company has adopted various measures in order to achieve the desired environmental level not only to comply with the Environmental Laws but also taking into consideration the Eco friendly atmosphere.

### **RISK MANAGEMENT**

The present risks and anticipated future risks are reviewed by the management of company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive measures to adequately safeguard its resources like men, machine & money, so that the business continues as usual even during difficult situations. Today's business environment demands that wholesalers and retailers focus more attention on minimizing risks—from closer examination of internal controls, tax positions and financial reporting practices to corporate governance, image marketing, and human resources policies and procedures.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the Corporate Governance. As such this process is aimed at pursuing the values of both procedural and substantial fairness, transparency and accountability, which are considered key factors for managing the business. The Audit Committee of its Board of Directors, comprising of Independent Directors, also reviews the systems at regular intervals. Moreover, the Company has appointed M/s Sanjiv Manav Jain & Associates, Chartered Accountants, as its Internal Auditors and they periodically test the efficacy of the prevailing internal control systems.

### **CAUTIONARY STATEMENT**

Statements in this management discussion and analysis describing the Company's views about the industry, objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned as not to place undue reliance on the forward-looking statements as they speak only as of their dates. Actual results might differ substantially or materially from those expressed or implied.



## **REPORT ON CORPORATE GOVERNANCE**

### **1. THE COMPANY'S PHILOSOPHY**

Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of information. In 'Sarup Industries', we believe that a high standard of Corporate Governance is the essence of business growth and investor confidence. The Company aims at to set the highest standards of governance, meticulously pursue them and thereby maximize value for its shareholders and fairness to its customers, employees and public at large. Good corporate governance implemented in your Company on practical basis and your company conscious of its responsibility as a good corporate citizen and is committed to a high standard of Corporate Governance practices.

### **2. BOARD OF DIRECTORS**

The Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company. As part of its functions, Board periodically reviews all the relevant information which is required to be placed before it pursuant to Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The meetings of the Board of Directors are normally held at its registered office of the Company. Meetings are scheduled well in advance and after adequate notice. The Board meets at least once in a quarter to review the quarterly performance and the financial results.

#### **Composition and Category of Directors and attend**

The key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence.

#### **Board of Directors of the Company**

<b>S.NO</b>	<b>FULL NAME OF DIRECTOR (S)</b>	<b>DIN/PAN</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>
1	SIMARJIT SINGH BAWA	00851651	MANAGING DIRECTOR	22/09/1995
2	ATAMJIT SINGH BAWA	00807400	WHOLE TIME DIRECTOR	01/10/2005
3	ASHWANI ARORA	01809365	INDEPENDENT DIRECTOR	28/09/2007
4	GURENDRA SINGH BEDI	02442047	INDEPENDENT DIRECTOR	22/09/1995
5	HARNARINDER DEEP KAUR	07592946	INDEPENDENT DIRECTOR	13/08/2016
6	LAJPAT SANGWAN	07035654	DIRECTOR	23/12/2014
7	LISSY JACOB	07510795	DIRECTOR	05/05/2016
8	SURINDER SINGH CHEEMA	07273630	INDEPENDENT DIRECTOR	13/08/2015

**Board meetings held and Directors' attendance record**

Sr No	Name of the Director	Designation & Category	No. of Board Meetings in the year	
			Held	Attended
1.	Mr. Simarjit Singh Bawa	Managing Director	8	8
2.	Mr. Atamjit Singh Bawa	Whole Time Director	8	7
3.	Mr. Ashwani Arora	Independent-Non Executive	8	1
4.	Mr. Gurendra Singh Bedi	Independent-Non Executive	8	1
5.	Ms. Harnarinder Deep Kaur	Independent-Non Executive	8	8
6.	Mr. Lajpat Sangwan	Executive Director	8	3
7.	Ms. Lissy Jacob	Executive Director	8	8
8.	Ms. Surinder Singh Cheema	Independent-Non Executive	8	8

Our Board of Directors met 8 times during the period under review on the following dates: -

15 <sup>th</sup> April, 2017	30 <sup>th</sup> May, 2017	14 <sup>th</sup> August, 2017	28 <sup>th</sup> August, 2017
14 <sup>th</sup> November, 2017	5 <sup>th</sup> December, 2017	13 <sup>th</sup> February, 2018	30 <sup>th</sup> March, 2018

**3. COMMITTEES OF THE BOARD****a) Audit Committee**

The Board has constituted Audit Committee in accordance with the requirements of Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The terms of reference of Audit Committee include the powers and role stipulated in Schedule II SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Members of the audit committee after its reconstitution are as follows-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr. Surinder Singh Cheema	Chairman	Independent Non Executive	6	6
2	Mr. Simarjit Singh Bawa	Member	Managing Director	6	6
3	Ms. Harnarinder Deep Kaur	Member	Independent Non Executive	6	6

**The Audit Committee had met 6 (Six) times during the year 2017-18 on 30<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 28<sup>th</sup> August 2017, 14<sup>th</sup> November, 2017, 13<sup>th</sup> February, 2018 and 30<sup>th</sup> March, 2018.**

The audit committee shall have powers, which should include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary
- Compliance with the accounting standards.

The Audit Committee of the Company performs the following functions:-

- Overview 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.
- Recommending the appointment/removal of auditors of the company, fixation of audit fees and approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board for approval with particular reference to:
  - i) Change, if any, in accounting policies and practices and reasons for the same.
  - ii) Major accounting entries involving estimates based on exercise of judgment by the management.
  - iii) Significant adjustments made in the financial statements arising out of audit findings.
  - iv) Compliance with listing and other requirements relating to financial statements.
  - v) Disclosure of any related party transactions.
- Reviewing with the management, the quarterly and yearly financial statement before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit Process.
- Reviewing the functioning of the Whistle Blower mechanism.
- Carrying out any other function as is mentioned in the terms of references of the Audit Committee.

#### **Review of information**

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 

#### **b) Nomination and Remuneration Committee**

The Board has constituted Nomination and Remuneration Committee in accordance with the requirements of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The terms of reference of Nomination and Remuneration Committee include the powers and role stipulated in Schedule II SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Members of the Nomination and Remuneration Committee after its reconstitution are as follows-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr Surinder Singh Cheema	Chairman	Independent Non Executive	4	4
2	Mr. Ashwani Arora	Member	Independent Non Executive	4	1
3	Ms. Harnarinder Deep Kaur	Member	Independent Non Executive	4	4

**The Nomination and Remuneration Committee had met 4 (Four) times during the year 2017-18 on the 14<sup>th</sup> August 2017, 28<sup>th</sup> August 2017, 13<sup>th</sup> February, 2018 and 30<sup>th</sup> March, 2018.**

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.

#### Remuneration Policy

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

#### Performance evaluation of the Independent directors

Board evaluates the performance of Independent directors as per new SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

### **c) Stakeholder's Relationship Committee**

The Board has constituted Stakeholder's Relationship Committee in accordance with the requirements of the Companies Act 2013 and Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The terms of reference of Stakeholder's Relationship Committee include the powers and role stipulated in Schedule II SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Members of the Stakeholder's Relationship Committee after its reconstitution are as follows-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Ms. Harnarinder Deep Kaur	Chairman	Independent Non Executive	2	2
2	Mr. Simarjit Singh Bawa	Member	Managing Director	2	2
3	Mr. Iajpat Sangwan	Member	Executive Director	2	2

**The Stakeholder's Relationship Committee had met 2 (Two) times during the year 2017-18 on 28<sup>th</sup> August 2017 and 30<sup>th</sup> March, 2018.**

The committee focuses on shareholders grievances and strengthening of investors relations. The committee specifically looks into the redressal of shareholders complaints within the purview of the guidelines issued by SEBI and Listing Agreement.

The Committee performs the following functions:

- Transfer/ transmission/ transpositions of shares.
- Dematerialization/ rematerialization of shares.
- Issue of new and duplicate share certificates.
- To look into redressal of shareholders' and investors' complaints like transfer of shares, non- receipt of annual report, non- receipt of declared dividends, etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

**Name & Designation of Compliance Officer-** Ms. Megha Gandhi, Company Secretary is designated as Compliance officer of the Company.

**Shareholders Complaints & Requests-** Status of Request/Complaints during the period of 01.04.2017 to 31.03.2018

Sr No	REQUESTS/COMPLAINTS	Received	Replied/ Resolved
1	For Change of address	1	1
2	For Revalidation of Dividend Warrants/ DD's	12	12
3	For Duplicate issue of shares	2	2
4	For Transfer of Shares	7	7
5	For Transmission of Shares	2	2
6	SCORE complaints	2	1
7	Others	2	2
	<b>TOTAL</b>	<b>28</b>	<b>27</b>

**4. GENERAL BODY MEETINGS OF THE COMPANY**

Financial Year Ended	Date	Day	Time	Venue
31 <sup>st</sup> March 2017	29 <sup>th</sup> September, 2017	Friday	11:00 AM	P.O. Ramdaspora, Jalandhar
31 <sup>st</sup> March 2016	29 <sup>th</sup> September, 2016	Thursday	11:00 AM	P.O. Ramdaspora, Jalandhar
31 <sup>st</sup> March 2015	29 <sup>th</sup> September, 2015	Tuesday	11:00 AM	P.O. Ramdaspora, Jalandhar

**5. MEANS OF COMMUNICATION**

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the web site of the Company.

- The Company's web-site address is [www.sarupindustries.com](http://www.sarupindustries.com)
- The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times, and in vernacular language (Punjabi) in Nava Zmana etc.
- The quarterly results of the Company are also available on the websites of BSE Limited. The site is [www.bseindia.com](http://www.bseindia.com).

**6. GENERAL SHAREHOLDER INFORMATION**

Date of incorporation	27th July, 1979
Registered office	Plot No 141,Leather Complex, Jalandhar – 144021
Date and Time of Annual General Meeting	28 <sup>th</sup> September, 2018 at 11:00 AM (IST)
Venue of Annual General Meeting	Prithvi's Planet, Guru Teg Bahadur Nagar, Jalandhar, Punjab 144001 Punjab

**Financial Calendar**

Financial reporting for 1st Qtr. ending June 30, 2018	End of July 2018
Financial reporting for 2nd Qtr. ending Sept 30, 2018	End of October 2018
Financial reporting for 3rd Qtr. ending Dec 31, 2018	End of January 2019
Financial reporting for 4th Qtr. ending March 31, 2019	End of May 2019

Date of Book Closure	23rd September, 2018 to 28th September, 2019
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Listing on Stock Exchange	Shares are listed in Bombay Stock Exchange & Delhi Stock Exchange. Company has already applied for Delisting which is pending with Delhi Stock Exchange.  The listing fee for the year 2017-18 has been paid to the Bombay Stock Exchange.
Registrar and Transfer Agents	Skyline Financial Services Pvt. Ltd D-153 A, 1st Floor, Okhla Industrial Area Phase- I, New Delhi- 110020 Contact Person- Mr. Parveen Kumar, Tele: 011-26812683

Scrip Code	(BSE) – 514412
ISIN Code	(NSDL) - INE 305D0101 9

**Share Transfer**

Share transfers and related operations for the Company are conducted by Skyline Financial Services Pvt. Ltd., which is registered with the SEBI as a Registrar. Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

**a. Distribution of Shareholding as on 31st March, 2018**  
**( Nominal Value of shares Rs 10)**

Share or Debenture holding Nominal Value (Rs )	Share/Deb. Holders (Nos.)	% to total number	Share or Debenture holding Amount (Rs)	%age to Total amount
Up To 5,000	1863	91.73	2240920	6.89
5001 To 10,000	74	3.64	576000	1.77
10001 To 20,000	34	1.67	493740	1.52
20001 To 30,000	20	0.98	496980	1.53
30001 To 40,000	4	0.2	126340	0.39
40001 To 50,000	10	0.49	464030	1.43
50001 To 1,00,000	9	0.44	635300	1.95
1,00,000 and Above	17	0.84	27490690	84.52
<b>Total</b>	<b>2031</b>	<b>100</b>	<b>32524000</b>	<b>100</b>

**b. Shareholding Pattern as on 31st March 2018**

Category of Shareholders	No. of Shareholders	No. of fully paid up equity shares held	Shareholding as a %
(A) Promoter & Promoter Group	2	24,18,500	74.36
(B) Public	2029	8,33,900	25.64
<b>Total</b>	<b>2031</b>	<b>32,52,400</b>	<b>100.00</b>

**c. Dematerialization of shares & liquidity as on 31st March, 2018.**

	Number of shares	% of Total Issued Cap.
Shares held in dematerialized form in CDSL	173368	5.34%
Shares held in dematerialized form in NSDL	2919269	89.75%
Shares held in Physical	159763	4.91 %
<b>Total</b>	<b>3252400</b>	<b>100%</b>

**Stock Data**

Following Table gives the monthly high and low prices and volumes of equity shares of the Company at BSE for the year ended March 31, 2018.

**For the Period: April 2017 to March 2018**

Month	High	Low	No. of Shares
Apr 17	71.00	60.80	13,615
May 17	77.30	63.25	05,865
Jun 17	99.95	65.00	90,083
Jul 17	94.00	78.05	09,800
Aug 17	87.85	66.50	09,509
Sep 17	77.00	64.55	20,116
Oct 17	74.95	65.10	10,632
Nov 17	76.05	62.95	23,950
Dec 17	77.55	65.20	36,523
Jan 18	82.80	69.20	20,691
Feb 18	77.00	50.70	36,619
Mar 18	67.45	54.50	38,902

**Location Address**

Sarup Industries Limited, Plot No 141, Leather Complex, Jalandhar- 144021, Punjab (INDIA)  
Ph: 0181-5021037 E mail: csmeghagandhi@bawastl.com

**Address for Correspondence:**

In line with the requirement of the Listing Agreement, Company has designated an email ID [shareholders@bawastl.com](mailto:shareholders@bawastl.com) exclusively for the purposed of registering complaints by investors. The Shareholders may address their correspondence to:

**Company Office (Other)**

Megha Gandhi, Company Secretary  
Sarup Industries Limited  
P.O. Ramdasapura,  
Jalandhar-144003, Punjab  
Phone Nos: 0181-5021037  
Email: shareholders@bawastl.com

**Registrars and Transfer Agent**

Skyline Financial Services Pvt. Ltd.  
D-153 A, 1st Floor, Okhla Industrial Area  
Phase- I, New Delhi- 110020  
Phone No: 011-26812683  
E mail: parveen@skylinerta.com

**7. OTHER DISCLOSURES****a) Materially significant related party transaction that may have potential conflict of interests of Company at large**

Related party Transactions are defined as transfer of resources, service or obligations between a company and related party, regardless of whether a price is charged.

Necessary disclosures under the Accounting Standards 18 relating to the related Party transactions form part of the accounts for the year 2017-18.

Please refer this link for read the policy on related party transaction  
[sarupindustries.com/financials/related-party-policy.pdf](http://sarupindustries.com/financials/related-party-policy.pdf)



**b) Disclosure of accounting treatment in preparation of financial statements**

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

**c) Auditor's Certificate on Corporate Governance:**

The auditor's certificate regarding compliance of conditions of corporate governance is annexed to the Directors' Report

**d) Declaration by Managing Director**

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2018, is annexed to the Corporate Governance Report.

**e) Whistle blower policy**

The company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons.

Please refer this link for read the whistle blower policy  
[sarupindustries.com/financials/whistle blower policy.pdf](http://sarupindustries.com/financials/whistle%20blower%20policy.pdf)

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To,

The Members  
Sarup Industries Limited

This is to certify that

- The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
- The Code of Conduct has been posted on the website of the Company.
- The Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year 2017-18.

Date: 14.08.2018  
Place: Jalandhar

Simarjit Singh Bawa  
Managing Director

**CEO/CEO CERTIFICATION**

To,

The Board of Directors,  
Sarup Industries Limited

We hereby certify that for the financial year 2017-18:

1. We have reviewed the financial statements and the cash flow statement 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - significant changes, if any, in internal control over financial reporting during this year;
  - significant changes, if any, in accounting policies during this year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sarup Industries Limited

Place: Jalandhar  
Dated: 14.08.2018

Chakkarwanti Sharma  
Chief Financial Officer

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF SEBI ( LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**AUDITORS CERTIFICATE**

To

The Member of

SARUP INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by SARUP INDUSTRIES LIMITED for the year ended 31st March, 2018 as stipulated in Chapter IV of SEBI ( Listing Obligations And Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India. We have to state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Investor's Grievance Committee.

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

Place: Jalandhar  
Date: 14.08.2018

For VSAP & ASSOCIATES  
Chartered Accountant

Amit Chadha.  
Prop.

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF  
SARUP INDUSTRIES LTD.****Report on the Financial Statements****Opinion**

We have audited the accompanying financial statements of SARUP INDUSTRIES LTD ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Basis of 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 thereunder, 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 is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 the 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 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 are 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 Responsibility 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 basis of these financial statements.

#### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in the 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.  
  
In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)
  - c the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches which are prepared by us]
  - 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.
  - e On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and

- g With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

***Forming an Opinion and Reporting on Financial Statements***  
***for VSAP AND ASSOCIATES***  
**Chartered Accountants**

**Place : PHAGWARA**  
**Date : 30/05/2018**

**AMIT CHADHA**  
**(Prop.)**  
**0018705N**  
**Address:- LANE NO 1, OLD SABJI**  
**MANDI, PATEL NAGAR,**  
**PHAGWARA-144010 PUNJAB**

**ANNEXURE TO THE AUDITORS' REPORT**

**The Annexure referred to in our report to the members of SARUP INDUSTRIES LTD for the year ended 31<sup>st</sup> March, 2018.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
  - (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.
  - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.
  - (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7.
  - (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
  - (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the

part of company.

8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals  
Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

***Forming an Opinion and Reporting on Financial Statements***

***for VSAP AND ASSOCIATES***  
**Chartered Accountants**

**Place : PHAGWARA**  
**Date : 30/05/2018**

**AMIT CHADHA**  
**(Prop.)**  
**0018705N**  
**Address:- LANE NO 1, OLD SABJI**  
**MANDI, PATEL NAGAR,**  
**PHAGWARA-144010 PUNJAB**



**Sarup industries limited.**  
**Balance Sheet as at March 31, 2018**

(Amount in Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	133,941,366	150,733,517
(b) Capital work-in-progress	3	130,889,432	130,889,432
(c) Intangible Assets	4	-	-
(d) Investment in an associate and a joint venture	5	-	-
(e) Financial Assets			
(i) Investments	6	7,079,064	7,079,064
(ii) Loans	6	-	-
(iii) Other non-current financial assets	6	-	-
(f) Prepayments	7	-	-
(g) Income tax assets (net)	8	5,789,322	5,599,989
(h) Other non-current assets	9	11,704,728	3,781,180
<b>(2) Current assets</b>			
(a) Inventories	10	311,889,324	281,903,276
(b) Financial Assets			
(i) Investments	6	-	-
(ii) Trade Receivables	11	110,785,887	134,526,721
(iii) Cash and cash equivalents	12	7,063,858	5,113,979
(iv) Loans	6	25,590,346	59,990,482
(v) Other current financial assets	6	-	-
(c) Prepayments	7	-	-
(d) Other current assets	9	-	-
(e) Non-current assets held for sale	13	-	-
<b>Total Assets</b>		<b>744,733,325</b>	<b>779,617,640</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	14	32,524,000	32,524,000
(b) Other Equity	15	157,538,964	191,903,297
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	376,713,808	347,319,218
(b) Long-term provisions	17	39,711,629	46,568,480
(c) Deferred tax liabilities (Net)	18	-	-
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	19	80,875,949	106,890,663
(ii) Other current financial liabilities	20	12,380,886	20,665,187
(b) Other current liabilities	21	44,988,088	33,746,795
(c) Short-term provisions	17	-	-
<b>Total Equity and Liabilities</b>		<b>744,733,325</b>	<b>779,617,640</b>
<b>For VSAP &amp; Associates</b> ICAI Firm Registration No: 018705N Chartered Accountants  (AMIT CHADHA ) Partner Membership No. 507087 Place: Jalandhar Date: 30.05.2018		<b>For and on behalf of the Board of Directors of Sarup Industries Limited</b>  Atamjit Singh Bawa      Simarjit Singh Bawa Chairman                      Managing Director (DIN - 00807400)          (DIN -00851651) Chakkarwanti Sharma      Megha Gandhi Chief financial Officer      Company Secretary	

**Sarup industries limited.**  
**Statement of Profit and Loss for the year ended March 31, 2018**  
**(Amount in INR , unless otherwise stated)**

Particulars		Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I	<b>INCOME</b>			
(a)	Revenue From Operations	22	442,131,482	496,835,693
(b)	Other Income	23	13,435,192	14,644,714
	<b>Total Income (I)</b>		<b>455,566,674</b>	<b>511,480,408</b>
II	<b>EXPENSES</b>			
(a)	Cost of raw material and component Consumed	24	264,103,750	258,891,811
(b)	Purchases of traded goods	25		
(c)	Changes in inventories of finished goods, work in progress and traded goods	25	(47,491,179)	(3,831,103)
(d)	Excise duty on sale of goods	22		
(e)	Employee Benefits Expense	26	136,174,977	142,159,574
(f)	Finance Costs	28	24,317,873	20,598,445
(g)	Depreciation and amortization expense	27	18,952,147	17,310,864
(h)	Other Expenses	29	92,352,061	70,914,210
	<b>Total expenses (II)</b>		<b>488,409,630</b>	<b>506,043,802</b>
III	<b>Profit before tax (I-II)</b>		<b>(32,842,956)</b>	<b>5,436,607</b>
IV	<b>Tax expense:</b>			
(1)	Current Tax		-	-
	-For the current period	18		
	-Adjustments for tax relating to earlier years	18		
(2)	Deferred Tax	18		
V	<b>Profit for the period (III-IV)</b>		<b>(32,842,956)</b>	<b>5,436,607</b>
VI	Other Comprehensive Income / (loss)	30		
	<b>Items that will not be reclassified to statement of profit or loss</b>			
	Re-measurement gains / (losses) on defined benefit plans		-	-
	Income tax effect		-	-
	<b>Total other Comprehensive Income (net of tax)</b>		<b>-</b>	<b>-</b>
VII	<b>Total Comprehensive Income for the year (V-VI) (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>(32,842,956)</b>	<b>5,436,607</b>
VIII	Earnings per equity share[face value of share Re10 (March 31, 2017)]:		-9.63	1.67
	Basic & diluted EPS ( In INR)	31		
For VSAP & Associates ICAI Firm Registration No: 018705N Chartered Accountants (AMIT CHADHA ) Partner Membership No. 507087  Place:Jalandhar Date: 30.05.2018			For and on behalf of the Board of Directors of Sarup Industries Limited  Atamjit Singh Bawa Chairman (DIN - 00807400)  Chakkarwanti Sharma Chief financial Officer  Simarjit Singh Bawa Managing Director (DIN -00851651)  Megha Gandhi Company Secretary	

**Sarup industries limited.**  
**Cash flow statement for the year ended March 31, 2018**  
**(Amount in INR , unless otherwise stated)**

Particulars	March 31, 2018	March 31, 2017
<b>Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>(32,842,956)</b>	<b>5,436,809</b>
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	18,952,147	17,310,863
Loss on Sale of Property, plant and equipment and Intangible assets (net)	20,220,054	
Property, plant and equipment Scrapped/Written Off		
Interest Income	-	(393,296)
Interest expense (including unwinding of discount on warranty and lease obligation)	21,618,140	18,146,663
Provision on loans & advances created /(written back)		
Provision for doubtful debts created/(written back)		
Fair value (gain)/loss on Investment (net)		
Gain on sale of investments (net)		
Unrealised foreign exchange (gain)/loss (net)		
Mark to Market (gain)/loss on Forward Contracts		
<b>Operating Profit before Working Capital Changes</b>	<b>27,947,385</b>	<b>40,501,038</b>
<b>Movement in working capital:</b>		
Increase/(decrease) in Provisions	(6,856,851)	(13,340,972)
Increase/(decrease) in Trade payables	(26,014,713)	3,700,739.00
Increase/(decrease) in Other financial liabilities	(8,284,301)	(858,163)
Increase/(decrease) in Other liabilities	40,635,884	(3,973,453)
Decrease/(increase) in Loans	31,827,389	3,064,024.00
Decrease/(increase) in Other assets	(7,061,511)	
Decrease/(increase) in Prepayments		
Decrease/(increase) in Other financial assets		8,525,754
Decrease/(increase) in Inventories	(29,986,048)	2,178,778
Decrease/(increase) in Trade receivables	23,740,834.00	(22,576,646)
<b>Cash generated from operations</b>	<b>45,948,070</b>	<b>17,221,098</b>
Direct Taxes Paid (net of refunds)	-	(2,900,000)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>45,948,070</b>	<b>14,321,099</b>
<b>Cash Flow from Investing Activities</b>		
Interest Received	-	393,296
Purchase of property, plant and equipment, intangible assets and CWIP including capital advance	(3,427,930)	(44,413,896)
Proceeds from sale of property, plant and equipment including Intangible assets		127,500
Purchase of Investments	-	(2,800,000)
Sale of Investments	-	
<b>Net Cash used in Investing Activities (B)</b>	<b>(3,427,930)</b>	<b>(46,693,101)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long term borrowing		48,701,143
Net increase /( Decrease) in working capital	(18,952,121)	(2,027,728)
Dividend Paid (Including Corporate Dividend Tax)	-	
Interest Paid	(21,618,140)	(18,146,663)
<b>Net Cash used in Financing Activities (C)</b>	<b>(40,570,261)</b>	<b>28,526,752</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,949,880</b>	<b>(3,845,250)</b>
Cash and cash equivalents at the beginning of the year	5,113,978	8,959,226
<b>Cash and cash equivalents at the end of the year</b>	<b>7,063,858</b>	<b>5,113,978</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	30,486	57,122
Cheques/draft on hand		190,200
With banks -on current account	5,603,307	2,617,670
- on deposit account	1,430,064	2,248,986
<b>Total cash and cash equivalent (refer note 12)</b>	<b>7,063,858</b>	<b>5,113,978</b>
<b>For VSAP &amp; Associates</b>	<b>For and on behalf of the Board of Directors of Sarup Industries Limited</b>	
ICAI Firm Registration No: 018705N		
Chartered Accountants		
(AMIT CHADHA )		
Partner	Atamjit Singh Bawa	Simarjit Singh Bawa
Membership No. 507087	Chairman	Managing Director
	(DIN - 00807400)	(DIN -00851651)
Place:Jalandhar	Chakkarwanti Sharma	Megha Gandhi
Date: 30.05.2018	Chief financial Officer	Company Secretary

## Notes forming part of the financial statements

Note	Particulars
<b>1 Corporate information</b>	The financial statements comprises financial statement of SARUP INDUSTRIES LIMITED for the year ended March 31. 2018. The company is a public limited company domiciled in India and was incorporated under the provisions of companies Act, 1956 in 1979. The shares of the company have been listed on the Bombay stock exchange in 1994. The registered office of the Company is located at 141 Leather complex Jalandhar.(Punjab)
<b>2 Significant accounting policies</b>	
<b>2.1 Basis of accounting and preparation of financial statements</b>	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 200X, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
<b>2.2 Use of estimates</b>	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>2.3 Inventories</b>	Inventories are valued at the lower of cost (on FIFO ) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
<b>2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)</b>	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
<b>2.5 Cash flow statement</b>	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
<b>2.6 Depreciation and amortisation</b>	For the year 2017-18 'Depreciation on each asset has been provided on WDV Method as per useful lives prescribed in Schedule II to the Companies Act, 2013 .
<b>2.7 Revenue recognition</b>	<p><u>Sale of goods</u></p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.</p> <p><u>Income from services</u></p> <p>Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.</p> <p>Revenues from maintenance contracts are recognised pro-rata over the period of the contract.</p>
<b>2.8 Other income</b>	Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**2.9 Tangible fixed assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**2.10 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Refer Note 2.21 for accounting for Research and Development Expenses.

**2.11 Foreign currency transactions and translations**Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Refer Notes 2.26 and 2.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

**2.12 Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

**2.13 Investments**

Long-term investments (excluding investment properties), are carried individually at cost. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

**2.14 Employee benefits**

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

**2.15 Employee share based payments**

The Company formulated no Employee Stock Option Schemes (ESOS).

**2.16 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the

	<p>period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>
<b>2.17 Segment reporting</b>	<p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p>
	<p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.</p> <p>Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.</p> <p>Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".</p>
<b>2.18 Leases</b>	<p>Company has not given any of its property on lease.</p>
<b>2.19 Earnings per share</b>	<p>'Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
<b>2.20 Taxes on income</b>	<p>'Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>'Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.</p>
<b>2.21 Research and development expenses</b>	<p>Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.</p>
<b>2.22 Joint venture operations</b>	<p>The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements. At present the Company has not entered in any joint venture agreement.</p>

**2.23 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**2.24 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**2.25 Provision for warranty**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

**2.26 Hedge accounting**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

**2.27 Derivative contracts-NA****2.28 Share issues expenses**

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.

**2.29 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**2.30 Service tax input credit****2.30 Service Tax /Excise/ GST**

Service tax input credit/ Excise / GST is accounted for in the books in the period in which the underlying service/ goods received is accounted and when there is no uncertainty in availing / utilising the credits.



## 3. Property, plant and equipment ("PPE") and Capital Work in progress ("CWIP") (refer note 37)

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Particulars	Leasehold Land*	Free hold Land	Building - Factory*	Building - Others*	Plant & machinery	Furniture and fittings	Others	Office equipments	Lease hold Improvements	Vehicles	Total	Capital work in progress
<b>Cost</b>												
As at April 01, 2016	1,889,470	22,935,310	37,882,835	24,164,914	237,892,191	14,437,694	23,721,819	6,561,287	919,661	16,979,451	387,384,542	130,889,432
Additions	9,397,452				4,603,354	200,672	3,339,416	105,304	78,000	471,345	654,345	
Disposals/ written off					106,000	72,000	5,000					
Transferred from CWIP												
As at March 31, 2017	11,286,922	22,935,310	37,882,835	24,164,914	242,496,545	14,566,276	27,066,235	6,666,591	997,661	16,588,106	484,471,395	130,889,432
Additions					1,028,852	1,190	3,125,775	78,025		12,515,101	12,515,101	
Disposals/ written off												
Transferred from CWIP												
As at March 31, 2018	11,286,922	22,935,310	37,882,835	24,164,914	243,435,397	14,567,466	30,181,010	6,744,616	997,661	3,593,005	396,189,736	130,889,432
<b>Depreciation</b>												
As at April 01, 2016			22,009,737	9,243,174	153,824,601	13,146,266	19,246,702	5,322,196	747,264	13,333,535	236,873,424	
Charge for the year			1,507,929	726,691	12,257,266	165,512	1,282,862	265,581	52,272	1,055,750	17,310,863	
Disposals/ written off											446,413	
As at March 31, 2017	-	-	23,517,666	9,969,865	166,081,867	13,311,778	20,529,564	5,584,777	799,536	13,942,872	253,737,874	-
Charge for the year			929,323	691,301	11,760,487	160,508	5,218,801	5,632	67,121	118,975	18,952,148	-
Disposals/ written off										10,441,652	10,441,652	-
As at March 31, 2018	-	-	24,446,989	10,661,116	177,842,354	13,472,286	25,748,365	5,590,409	866,657	3,620,195	262,248,570	-
<b>Net book</b>												
As at March 31, 2018	11,286,922	22,935,310	13,435,846	13,503,798	65,593,043	1,095,180	4,433,245	1,154,207	131,004	372,810	133,941,366	130,889,432
As at March 31, 2017	11,286,922	22,935,310	14,365,169	14,195,099	76,324,678	1,254,498	6,526,671	1,081,814	198,125	2,565,234	150,733,521	130,889,432
As at April 01, 2016	1,889,470	22,935,310	15,873,098	14,921,790	84,067,590	1,291,338	4,475,117	1,239,091	172,397	3,645,916	150,511,118	130,889,432

\*The factory buildings and other buildings are constructed on the Company's freehold land as well as land obtained under long term leases. Management has obtained necessary extension commitments from the parties who have provided land on lease.

## Capitalized borrowing costs

No borrowing costs are capitalized on any item of property, plant & equipments.

## Asset under construction

Capital work in progress as at 31 March, 2017 comprises expenditure incurred on plant & machinery and buildings in the course of construction.

## Finance leases

The carrying value of land held under finance leases is INR 22,02,36,290 (31 March 2016: 22,29,57,324; 1 April 2015: 22,56,78,338). There are no additions of any assets under finance leases during the year. Leasehold land is obtained from the director of the Company. Refer Note 34(i) for terms and conditions. Ind AS 101 Exemption: The Company has availed the exemption available under Ind AS 101, whereas the carrying value of PPE and CWIP has been carried forwarded at the amount as determined under the previous GAAP. (refer note 48)

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## 4. Intangible Assets- NIL

## 5. Investments in Associates and Joint Ventures- NIL

## 6. Quoted mutual funds (short-term investments)

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Investment in mutual funds (give details)		
11087.704 (As at 31.3.2017) Units of SBI Magnum Scheme (I)	200,000	200,000
4424.446 (As at 31-3-2016) Units of HDFC Top 200(G)	78,885	78,885
Investment in SBI Mutual Funds (Pledged with state bank ogf margin Money)	2,800,000	2,800,000
<b>Total (C)</b>	<b>7,079,064</b>	<b>7,079,064</b>
<b>Total Investments (A+B+C)</b>	<b>7,079,064</b>	<b>7,079,064</b>
<b>Aggregate market value of quoted investments</b>		
<b>Aggregate fair value of unquoted investments</b>		

**Investments (at fair value through profit & loss)****Quoted Shares (long-term investments)**

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
DSQ Ltd	321893	321893
Pentamedia Ltd	496820	496820
Polars Financial Ltd	1105265	1105265
DSQ Software	1221867	1221867

**Unquoted Shres**

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Moderen Syenthetics Ltd	18,000	18,000
Punjab Iron & Steel Co. Ltd	15,058	15,058
Software Solutions India Ltd	633,276	633,276
Star Precision Ltd	15,000	15,000
Star Thapar Milk Products Ltd	3,000	3,000
Umred Agro Ltd	170,000	170,000

**Loans**

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
<b>Carried at amortized cost</b>		
<b>Loans, advances and imprest to employees*</b>		
Unsecured considered good		
Doubtful		
Provision for doubtful loans, advances and imprest to employees		
<b>Advances Recoverable</b>		
Unsecured, considered good, to other parties	25,590,346	59,990,482
Doubtful, to other parties		
	25,590,346	59,990,482
Provision for doubtful security deposit	-	-
	25,590,346	59,990,482
<b>Total</b>	<b>25,590,346</b>	<b>59,990,482</b>

**7. Prepayments- Nil****8. Income tax assets (net)**

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Advance Income tax	4,737,952	3,027,241
Deffered Tax	1,051,370	2,572,748
<b>Total</b>	<b>5,789,322</b>	<b>5,599,989</b>

**9. Other assets**

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
<b>Capital Advances</b>		
Unsecured considered good	5,293,640	914,047
Doubtful	-	-
Provision for doubtful capital advances	-	-
<b>Total (A)</b>	<b>5,293,640</b>	<b>914,047</b>

<b>Advances other than capital advances</b>		
<b>Advances to suppliers /Others</b>		
Unsecured considered good	1,892,967	2,137,966
Doubtful		
Provision for doubtful advances		
<b>Total (B)</b>	<b>1,892,967</b>	<b>2,137,966</b>
<b>Balance with statutory / government Authorities</b>	4,518,120	729,167
<b>Total (C)</b>	<b>4,518,120</b>	<b>729,167</b>
<b>Total other assets (A+B+C)</b>	<b>11,704,728</b>	<b>3,781,180</b>

**10. Inventories ( lower of cost or NRV)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Raw materials & components(at cost)	54,323,816	71,828,947
Stores, Spares etc.		438,752
Packing Material		1,198,077
Work in Process	40,841,378	43,875,065
Finished Goods	216,724,130	164,562,434
<b>Total (A)</b>	<b>311,889,324</b>	<b>281,903,276</b>
<b>In Transit :</b>		
Raw materials & components		
Stores, Spares etc.		
Finished Goods		
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>311,889,324</b>	<b>281,903,276</b>

**11 Trade receivables**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>Trade receivables</b>		
<b>Secured, considered good*</b>		
Related parties		
Others		
<b>Unsecured, considered good</b>	<b>110,785,887</b>	<b>134,526,721</b>
Related parties		
Others		
<b>Doubtful</b>		
Others		
Less: Allowances for expected credit loss		
<b>Total</b>	<b>110,785,887</b>	<b>134,526,721</b>

\* Secured against letter of credit/ bank guarantee.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with

**Break-up for security details and more than 6 months overdue**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	5,682,948	50,803,707
Unsecured, considered good		
Doubtful		
	<b>5,682,948</b>	<b>50,803,707</b>
Allowances for expected credit loss		
<b>Total (A)</b>	<b>5,682,948</b>	<b>50,803,707</b>
<b>Other receivables</b>		
Secured, considered good	84,882,885	83,723,014
Unsecured, considered good		
Doubtful		
	<b>105,102,939</b>	<b>83,723,014</b>
Allowances for expected credit loss	-	-
<b>Total (B)</b>	<b>105,102,939</b>	<b>83,723,014</b>
<b>Total Trade receivables (A+B)</b>	<b>110,785,887</b>	<b>134,526,721</b>

Trade receivables are non-interest bearing and are generally on terms of not more than 30-60 days.

For terms and conditions relating to related party receivables (refer note 35).

**12 Cash and Cash Equivalent**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Cash and cash equivalents</b>		
Balances with Banks		
-In current accounts	5,603,307	1,452,220
-Deposits with original maturity of less than three months	1,430,064	3,414,436
Cheques / drafts on hand		190,200
Cash on hand	30,486	57,122
<b>Total</b>	<b>7,063,858</b>	<b>5,113,979</b>

**13 Non -current assets held for sale Nil**

**14. Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised :</b>		
40,00,000 equity shares (March 31, 2017: 40,00,000 April 1, 2016: 40,00,000) of Rs.10/- each (March 31, 2017: Rs. 10/- each, April 1, 2016: Rs. 10/- each)	4,00,00,000	4,00,00,000
<b>Issued, Subscribed and Paid-up</b>		
3,252,400 (March 31, 2017: 3,25,400, April 1, 2016: 3,252,400) Equity Shares of Rs.10/- Each Fully paid (March 31, 2017: Rs. 10/- each, April 1, 2016: Rs. 10/-	32,524,000	32,524,000
<b>Total</b>	<b>32,524,000</b>	<b>32,524,000</b>

**a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year**

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	3,252,400	32,524,000	3,252,400	32,524,000
Addition due to split of shares in ratio 1:10	-	-	-	-
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,252,400</b>	<b>32,524,000</b>	<b>3,252,400</b>	<b>32,524,000</b>

**b. Terms/Rights Attached to equity Shares**

The Company has only one class of equity shares having par value of Rs. 10 per share (March 31, 2017: Rs. 10/- each, April 1, 2016: Rs. 10/- each) (refer note g. below) .

Each holder of equity shares is entitled to one vote per share.

During the year ended March 31, 2018, the amount of per share dividend recognized as distribution to equity shareholders was INR Nil (March 31, 2017 INR NIL/- (refer note g. below));

**c. Details of Shareholders holding more than 5% of equity shares in the Company**

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
<b>Equity shares of Rs. 1 each fully paid</b> (March 31, 2018: Rs. 10/- each, April 1, 2017: Rs. 10/- each)				
1.S . Atamjit Bawa	0.0	0%	891,054	27.40%
2 Smt. Manjit Bawa	2,257,094	69.4%	1,040,800	32.00%
3. S. Simrajit Bawa	161,406	4.96%	486,646	14.96%

d. No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

**15. Other Equity**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	14,494,710	13,316,321
Add: Net profit for the year	(32,842,956)	5,081,269
Less: Other Comprehensive loss for the year		
Less: Appropriations	(1,521,377)	
-Interim equity dividend		(3,252,400)
-Tax on interim equity dividend		(650,480)
-Transferred to general reserve		
<b>Net surplus in the statement of profit and loss (A)</b>	<b>(19,869,623)</b>	<b>14,494,710</b>
<b>Security premium</b>		
Balance as per last financial statements	27,345,000	27,345,000
Add: additions during the year		
<b>Closing Balance (B)</b>	<b>27,345,000</b>	<b>27,345,000</b>
<b>Other Reserves</b>		
<b>General reserve</b>		
Balance as per last financial statements	147,027,787	147,027,787
Add: Transferred from retained earnings		
<b>Closing Balance (C-I)</b>	<b>147,027,787</b>	<b>147,027,787</b>
<b>Capital reserve</b>		
Balance as per last financial statements	3,035,800	3,035,800
Add: additions during the year	-	-
<b>Closing Balance (C-II)</b>	<b>3,035,800</b>	<b>3,035,800</b>
<b>Closing Balance (C) = (C-I) + (C-II)</b>	<b>150,063,587</b>	<b>150,063,587</b>
<b>Total reserves and surplus (A+B+C)</b>	<b>157,538,964</b>	<b>191,903,297</b>

**16. Borrowings**

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
<b>Secured</b>		
SBI Buyers Credit (Secured against hyp of stock and mach.	6102789.32	39633874.72
SBI CC 5250( Secured against Hyp. Of Stock)		<b>154105.30</b>
SBI -CC 8045 (Secured against Hyp. Of Stock	143141221.33	123981300.11
Term Loans ( Secured agaist Vehicle)	576744.00	1835355.28
Term Loans ( Secured agaist Bulding And Machinery)	26163183.00	12308266.00
SBI Standby Limit (Secured Against Hup. Of Stock)		921.50
<b>Unsecured</b>		
Other Loans		
Loans from Directors and relatives	66429870.8	35105395
Others Shalimar	134,300,000	134,300,000
<b>Total Borrowings</b>	<b>376,713,808</b>	<b>347,319,218</b>

**17. Provisions**

Particulars	Short-term	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for Dividend		3,252,400
Provision for Gratuity (refer note 33)	39,723,261	42,665,600
Tax on Proposed Dividend	(11,632)	650,480
<b>Other Provisions</b>		
Provision for Tax	-	-
<b>Total</b>	<b>39,711,629</b>	<b>46,568,480</b>

**18. Deferred Tax liabilities (Net) - NIL****19. Financial liabilities - Trade payables**

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payable		
- Micro, Small and Medium Enterprises		
- Related parties	80,875,949.41	106,890,662.69
- Others (refer note 34)		
<b>TOTAL</b>	<b>80,875,949</b>	<b>106,890,663</b>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 60 days
- For terms and conditions with related parties, refer to Note 35.

For explanations on the Company's credit risk management processes, refer to Note

## 20. Other Financial Liabilities

Particulars	Non Current	
	As at March 31, 2018	As at March 31, 2017
<b>Other financial liabilities (at amortized cost)</b>		
Security Deposits	12,380,887	20,665,187
Payable on purchase of fixed assets		
<b>Total other financial liabilities</b>	<b>12,380,886</b>	<b>20,665,187</b>

## 21. Other Liabilities

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Advance from customer	25,214,870	11,129,506
Statutory liabilities ( TDS Payable)	162,330	458,839
Unpaid Dividend	1,375,718	1,165,450
Cheques Issued But Not Presented	3,142,685	660,745
Due from Director		5,137,794
Expenses Payable	15,092,485	15,194,460
<b>Total</b>	<b>44,988,088</b>	<b>33,746,795</b>

## 22. Revenue From Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of products (including excise duty and GST)</b>		
Local	436,229,210	496,835,693
Export	5,902,272	
	<b>442,131,482</b>	<b>496,835,693</b>
<b>Rendering of services</b>	-	-
<b>Other operating revenue</b>	-	-
-Scrap sales		
-Export benefits	-	
<b>Total</b>	<b>442,131,482</b>	<b>496,835,693</b>

**23 Other income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit on sale of Fixed Assets	2,537,743	106,851
Insurance Claim Received	-	539,415
Short /Excess Recovery	(223)	-
Derivative gain on forward contracts		
Foreign exchange gain (net)	2,139,888	162,827
Miscellaneous income	505,130	30,710
GST Bugetary Support	3,801,672	-
Modvat received	4,450,983	13,411,614
<b>Interest income on:</b>		
-Long-term investments		202,923
-Bank deposits		-
-Security deposits paid **	-	190,373
-Others	-	
<b>Total</b>	<b>13,435,192</b>	<b>14,644,714</b>

**24. Cost of Materials consumed**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Raw materials consumed</b>		
Inventory at the beginning of the year	71,828,947	78,277,578
Add: Purchases of Raw Material	246,598,618	252,443,180
	<b>318,427,566</b>	<b>330,720,758</b>
Less : Inventory at the end of the year	54,323,816	71,828,947
<b>Total</b>	<b>264,103,750</b>	<b>258,891,811</b>

**25. Changes in inventories of finished goods, Stock-in -Trade and work-in- progress**

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
<b>Closing stock</b>				
- Finished goods	216,724,130		164,562,435	
- Traded goods	-		1,198,077	
- Stores	-		438,752	
- Work in progress	40,841,378		43,875,065	
	<b>257,565,508</b>		<b>210,074,330</b>	
<b>Less :</b>				
<b>Opening stock</b>				
- Finished goods	164,562,435		139,360,676	
Packing Mataterial	1,198,077		-	
Stores	438,752			
- Work in progress	43,875,065		66,443,799	
	<b>210,074,330</b>		<b>205,804,475</b>	
<b>(Increase) / decrease</b>				
- Finished goods		(52,161,694)		(25,201,760)
- Traded goods		1,198,077		(1,198,077)
-Stors		438,752		
- Work in progress		3,033,687		22,568,734
		<b>(47,491,179)</b>		<b>(3,831,103)</b>



**26. Employee Benefits Expense**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	117,821,517	125,471,558.00
Contribution to provident and other funds	16,490,728	15,145,058
Gratuity expenses (refer note 33)		-
Staff welfare expenses	1,862,732	1,542,958
<b>Total</b>	<b>136,174,977</b>	<b>142,159,574</b>

**27. Depreciation and amortization expense**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	18,952,147	17,310,864
Amortization of intangible assets (refer note 4)	-	-
<b>Total</b>	<b>18,952,147</b>	<b>17,310,864</b>

**28. Finance Costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on:		
-Banks*	21,618,140	18,146,663
-Bank Charges	2,699,732	2,451,783
-Unwinding of discount on warranty		
Bank charges		
<b>Total</b>	<b>24,317,873</b>	<b>20,598,445</b>

\* interest on bills discounted during the year.

**30. Components of Other Comprehensive Income (OCI)- NIL****31. Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Profit attributable to equity share holders</b>	(31,321,579)	5,436,607
Weighted average number of equity shares outstanding during the year		
Basic and diluted earnings per share(Rs.) on weighted number of equity shares*		
Face value per share (Rs)	10	10
*There are no potentially dilutive equity shares		

**29. Other expenses**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Consumption of Stores and Spares	347,579	897,480
Exchange Rate Diffrence	381,241	
Power and energy	11,206,424	11,308,367
Advertisement and publicity expenses	112,741	135,053
Auditors' remuneration (refer detail below)*	100,000	100,000
Business promotion expenses	46,700	64,235
Professional and legal charges	1,354,030	1,920,612
Software expense		
Directors' remuneration	1,333,800	1,724,245
Directors sitting fee		
Postage, telephone and telegram expenses	993,066	1,143,920
Printing and stationery expenses	361,694	381,747
Rent (refer note 34)	2,288,043	2,261,195
Rates and taxes	3,274,991	1,673,377
Excise duty/ GST	30,260,474	15,260,883
Repairs and maintenance		
-Plant and machinery	828,208	340,273
-Building	49,995	139,940
-Others	1,058,385	1,975,494
Selling expenses	200,696	37,978
Commission and brokerage	184,545	
Freight outward	10,252,643	7,686,546
Tours and travelling expenses	1,565,771	1,349,907
Vehicle running expenses	225,487	1,214,223
Books And Periodicals	9,300	8525
Insurance Expenses	630,891	759,636
Packing and forwarding expenses	11,866,443	13,750,768
Fines and Penalties	235,627	2,000
Rebate and Discount	3,113,328	246,787
Prior Period Adjustment	1,323,410	15,286
Fixed assets scrapped / written off		
Loss on sale of fixed assets		4,283
Donation and charity**	137,583	49,028
Security Service Charges	1,180,137	1,047,054
Miscellaneous expenses	7,415,730	5399440
AGM Expenses	13,100	15,930
<b>Total</b>	<b>92,352,061</b>	<b>70,914,210</b>

**\*Payment to Auditors**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>As Auditor</b>		
Audit fee	90,000	90,000
Other matters-certification	10,000	10,000
<b>Other services</b>		
-Reimbursement of expenses		
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**33. Gratuity****Defined Benefit Plans**

The company operates one defined plan i.e. gratuity for its employees. Under the Gratuity Plan, every employee who has completed atleast five years service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

**Contribution to Gratuity Funds - Employee's Gratuity Fund**

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans / obligations:

**Net employee benefit expense recognized in the employee cost**

Particulars	Gratuity	
	2017-18	2016-17
Service cost - current	2,671,790	2,671,790
Past service cost	3,300,467	3,300,467
Interest cost	39,492	39,492
Expected return on plan assets		
<b>Total expenses recognised in the statement of profit and loss</b>	<b>388,295</b>	<b>388,295</b>

**Amount recognised in Other Comprehensive Income**

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (gain)/ loss on obligations	708,225	708,225

Changes in the present value of the defined benefit obligations are as follows:

**Gratuity:**

Particulars	2017-18	2016-17
<b>Opening defined obligation</b>		
Past service cost		42,313,685
Current service cost		2,671,790
Interest cost		
Benefits paid		5,888,027
Actuarial (gain)/ loss on obligations		
<b>Defined benefit obligation</b>	<b>-</b>	<b>39,097,448</b>

The Company's best estimate of contribution during the next year is Rs. Nil (March 31, 2018: Rs.Nil)

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

Particulars	Gratuity	
	31-Mar-18	31-Mar-17
Discount rate		
Future salary increases		
Retirement age	58 Years	58 Years

**34. Details of related parties:**

Description of relationship		Names of related parties	
Firm where relatives of promoters are partners		Bawa Skin Co.	
Disclosure of Related party transaction in accordance with the Accounting Standard 18 (A S 18)			
Party		Nature of Transaction	Amount
Bawa Skin Co.		Rent	4,68,000/-
Bawa Skin Co.		Loans and Advances	46,295,564/-

**SARUP INDUSTRIES LIMITED****CIN:** L19113PB1979PLC004014**Regd. Office:** Sarup Industries Limited, Plot No-141, Leather Complex, Jalandhar-144021, Punjab, India.**Tel No:** (91 181) 2271556/7/8 **Fax No:** (91 181) 2277557,**Website:** www.sarupindustries.com **E-mail:** shareholders@bawastl.com**RTA:** Skyline Financial Services (P) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020**PROXY FORM**

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

Name of the Member(s): .....

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: ..... Address: .....

E-Mail Id: .....Signature: .....

2. Name: ..... Address: .....

E-Mail Id: .....Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company to be held at Prithvi's Planet, Guru Teg Bahadur Nagar, Jalandhar, Punjab 144001 Punjab, at 11:00 A.M. on Friday, the 28th day of September, 2018 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Ordinary Resolution(s)	For	Against	Abstain
1. Adoption of the audited Balance Sheet as at and the Financial Statements for the financial year ended on March 31, 2018 and Reports of the Directors and Auditors thereon.			
2. Re-appointment of Director Mr. Lajpat Sangwan who retires by rotation.			
3. Ratification of the Appointment of Auditors			

Signed this .....day of ..... 2018

Signature of Shareholder

**Affix  
revenue  
Stamp**

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

\*\* This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box.

**Note:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the other office of the Company at P O Ramdaspora, Jalandhar - 144003, not less than 48 hours before the commencement of the Meeting.**
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**THIS PORTION IS INTENTIONALLY LEFT BLANK**

**SARUP INDUSTRIES LIMITED****CIN:** L19113PB1979PLC004014**Regd. Office:** Sarup Industries Limited, Plot No-141, Leather Complex, Jalandhar-144021, Punjab, India.**Tel No:** (91 181) 2271556 **Fax No:** (91 181) 2277557**Website:** <http://www.sarupindustries.com> **E-mail:** [shareholders@bawastl.com](mailto:shareholders@bawastl.com)**Share Transfer Agent:** Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 39<sup>th</sup> Annual General Meeting of the Company held at Prithvi's Planet, Guru Teg Bahadur Nagar, Jalandhar, Punjab 144001 Punjab at 11:00 AM on Friday, 28<sup>th</sup> day of September, 2018.

<b>Name &amp; Address of the Shareholder(s)</b>	<b>DP Id</b>	
	<b>Client Id/Regd. Folio.</b>	
	<b>No. of Shares Held</b>	
<b>If Shareholder(s) please sign here</b>	<b>If Proxy, please mention name and sign here</b>	
	<b>Name of Proxy</b>	<b>Signature</b>

**Notes:**

- (1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to Skyline Financial Services Pvt. Ltd., at the above address.

**NOTICE TO SHAREHOLDERS  
FOR  
TRANSFER OF EQUITY SHARES TO  
INVESTOR EDUCATION & PROTECTION FUND**

This Notice is published pursuant to the provisions of the Companies Act, 2013 read with the **Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016** ("the Rules") notified by the Ministry of Corporate Affairs effective 7<sup>th</sup> September, 2016 and subsequently amended vide notification dated 28<sup>th</sup> February 2017.

The Rules, inter alia, provide for transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the Company has sent individual communication to those shareholders whose shares are liable to be transferred to IEPF under the said Rules at their latest available address. The Company has uploaded the details of such shareholders and shares due for transfer to IEPF on its website at [www.sarupindustries.com](http://www.sarupindustries.com). Shareholders are requested to refer to the investor section on the website to verify the details of the shares liable to be transferred to IEPF.

Notice is hereby given to all such shareholders to make an application to the Company/ Registrar by **30.09.2018** with a request for claiming the unpaid dividend for the year 2010-11 onwards so that the shares are not transferred to the IEPF. **It may please be noted that if no reply is received by the Company or the Registrar by 30.09.2018 the Company will be compelled to transfer the shares to the IEPF, without any further notice.**

It may also be noted that both the unclaimed dividend and the shares transferred to IEPF authority including all benefits accruing on such shares, if any, can be claimed back from the IEPF Authority after following the procedure prescribed under the Rules.

For any clarification on the matter, please contact the Compliance officer of the Company Ms. Megha Gandhi at P O Ramdaspora, Jalandhar-144003, Punjab, Phone No: 0181-5021037; E-mail: [shareholders@bawastl.com](mailto:shareholders@bawastl.com); website: [www.sarupindustries.com](http://www.sarupindustries.com) and/or Registrars and Transfer Agent- Skyline Financial Services Pvt. Ltd, D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020, Phone No: 011-26812683, E mail: [parveen@skylinerta.com](mailto:parveen@skylinerta.com).

For Sarup Industries Ltd

Megha Gandhi  
Company Secretary

**SARUP INDUSTRIES LIMITED**  
**REGD OFF: - PLOT NO-141, LEATHER COMPLEX, JALANDHAR-144021, PUNJAB (INDIA)**  
**OTHER OFFICE: - P.O. RAMDASPURA, JALANDHAR- 144003, PUNJAB (INDIA)**  
**Tel: 0181-5021037**  
**Email: [shareholders@bawastl.com](mailto:shareholders@bawastl.com)**  
**Website: [www.sarupindustries.com](http://www.sarupindustries.com)**  
**CIN: L19113PB1979PLC004014**