

SARUP INDUSTRIES LIMITED

38th ANNUAL REPORT AND ACCOUNTS 2016-17

CIN: L19113PB1979PLC004014

REGD OFF: - 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 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.HARNARINDERDEEP KAUR
(INDEPENDENT DIRECTOR)

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. RAMESH CHAND SHARMA

AUDITORS

M/S Y.K. SUD & CO.
AMBIKA TOWERS
JALANDHAR-144001

BANKERS

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

LEGAL ADVISOR

MR. 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

REGISTERED OFFICE

P.O. RAMDASPURA, JALANDHAR
144003, PUNJAB (INDIA)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **38th (Thirty Eighth)** Annual General Meeting of the Members of Sarup Industries Limited will be held at registered office of the Company at P.O. Ramdaspora, Jalandhar-144003, Punjab on **Friday, the 29th day of September, 2017 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 31st March, 2017, together with the Reports of the Directors and the Auditors thereon.

Item No.2- Declaration of Dividend

To declare a dividend for the Financial Year ended 31st March, 2017.

Item No.3- Retire By Rotation

To appoint a Director in place of Ms. Lissy Jacob (DIN: 07510795) who retires by rotation and being eligible, offers herself for re-election.

Item No.3- Appointment of Auditors

To appointment of Auditors to hold office from the conclusion of this 38th Meeting, for 5 (Three) 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 thereunder, as amended from time to time, M/S VSAP & ASSOCIATES, Chartered Accountants, (Firm Registration No. 018705N) be and are hereby appointed as Statutory Auditors of the Company (in place of M/s Y.K SUD & CO., Chartered Accountants, retiring due to mandatory rotation of Auditors)for a term of five consecutive years, to hold office from the conclusion of this 38th Annual General Meeting until the conclusion of 43rd Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Audit Committee of the Board.

By Order of the Board of Directors
Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
DIN: 00851651

Atamjit Singh Bawa
Whole-Time Director
DIN: 00807400

Place: Jalandhar
Date: 28.08.2017

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 REGISTERED 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 29TH SEPTEMBER, 2017.**
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, 2017 to 29th September, 2017 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the Annual General Meeting is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Ltd. And Central Depository Services (India) Ltd., for this purpose.
6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration.
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.

Dividend for the Financial Year ended	Due date for Transfer	Dividend for the Financial Year ended	Due date for Transfer
31.03.2010	29th October, 2017	31.03.2013	28th October, 2020
31.03.2011	29th October, 2018	31.03.2014	28th October, 2021
31.03.2012	28th October, 2019	31.03.2015	28th October, 2022

Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 2009-10 onwards before the respective amounts become due for transfer to the above fund.

8. 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.
9. As per the provisions of Section 72 of Companies Act, 2013 and Rules made there under provides for Nomination by the shareholders of the Company in the prescribed form(s).
10. Members are requested to send in their queries at least a week in advance to the Finance Head at the Registered Office of the Company to facilitate clarifications during the meeting.
11. 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.
12. **Members who want to avail the facility of NECS (National Electronic Clearing System) for the payment of Dividend on Equity Shares, holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Skyline Financial Services Pvt. Limited, D-153 A, 1st Floor, Okhla Industrial Area Phase I, New Delhi- 110020 along with duly filled ECS Mandate Form (enclosed herewith):-**
 - (i) their bank account details in order to receive payment of dividend through electronic mode,
 - (ii) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
 - (iii) any change in their address/e-mail id/ECS mandate/ bank details,
 - (iv) share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.

Members holding shares in dematerialized form are requested to notify to their Depository Participant:-

- (i) their email id.
- (ii) all changes with respect to their address, email id, ECS mandate and bank details.

Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/ Depository Participant, as the case may be.

13. Shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
14. Route Map showing directions to reach to the venue of the 38th 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 38th 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
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.

D. The period for remote e-voting starts at IST 10.00 a.m. on Monday, 25th September, 2017 and ends at IST 5.00 p.m. on Thursday, 28th September, 2017. Remote e-voting shall be disabled by NSDL at IST 5.00 p.m. on 28th September, 2017.

E. 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

authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested, to the Scrutinizer through e-mail at csankitgandhi@gmail.com with a copy marked to NSDL's e-mail ID: 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 29th September, 2017.**

(e) The declared Results, along with the Scrutinizer's Report, will be available on the Company's corporate website **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.

F. 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** You may also address your queries relating to remote e-voting to the e-mail ID **shareholders@bawastl.com**

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

Annexed to the Notice convening the 38th (Thirty Eighth Annual General Meeting to be held on Friday, 29th September, 20167.

ITEM NO. 4

In terms of the provisions of Section 139 of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes that the Company has to comply with these provisions within the period specified under section 96 (1) of the Act, after three years from the date of commencement of the Act. M/s Y.K. Sud & Co, Chartered Accountants, existing statutory Auditors of the Company have been in office for more than 10 years and in compliance with the provisions of the Act, the Company has to appoint a new auditor in their place.

Accordingly the Board of Directors at their meeting held on 28th August, 2017 have, subject to approval of shareholders in the forthcoming AGM, approved the appointment of M/s VSAP & Associates, Chartered Accountants, as the Statutory Auditors of the Company, in place of M/s Y.K. Sud & Co., to hold office from the conclusion of this 38th AGM until the conclusion of 43rd AGM of the Company, subject to ratification by the Members at every AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

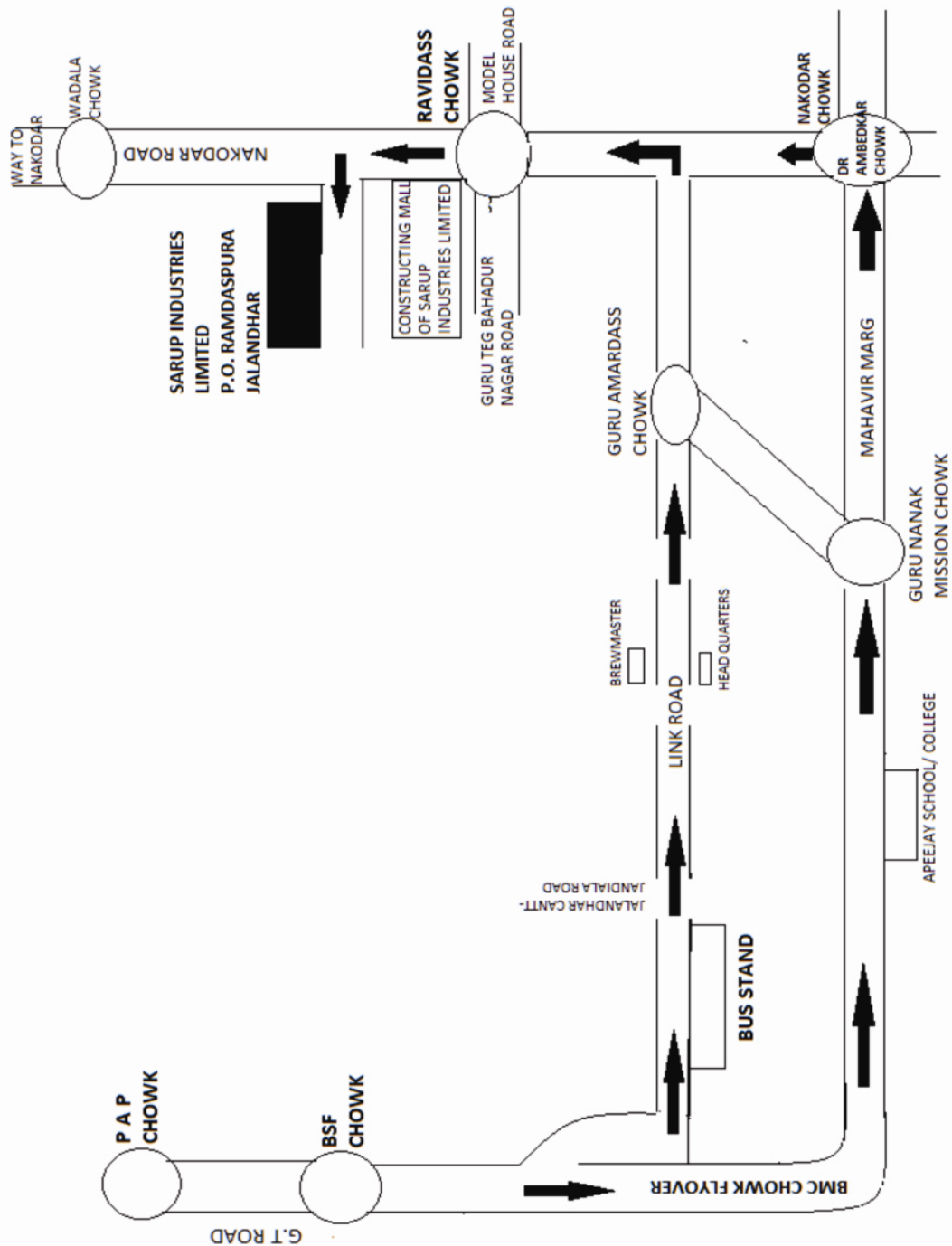
By Order of the Board of Directors
Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
DIN: 00851651

Atamjit Singh Bawa
Whole-Time Director
DIN: 00807400

Place: Jalandhar
Date: 28.08.2017

ROUTE MAP OF 38TH AGM OF SARUP INDUSTRIES LIMITED



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting their 38th Annual Report on the Business and operations of a Company and the accounts for the Financial Year ended 31st March, 2017.

1. FINANCIAL RESULTS

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

	(Fig in ` Lacs)	(Fig in ` Lacs)
	Year ended March 31st 2017	Year ended March 31st 2016
Sales of products and services	4971.05	4928.88
Other Income	9.63	14.78
Total Income	4980.68	4943.67
Total Expenditure other than Interest and Depreciation	4571.74	4841.19
Profit before Interest, Depreciation and Tax	408.94	102.47
Depreciation and Amortization Expenses	173.10	175.07
Profit before Interest and Tax	235.84	(72.6)
Finance Cost (net)	181.46	180.64
Profit before Tax	54.38	(253.24)
Provision for Current Tax		0
Tax expense	0.98	(0.46)
Provision for Deferred Tax	2.56	18.16
Net Profit	50.81	(235.53)
Adjustments in respect of prior years		7.79
Surplus brought forward	133.16	376.48
Profit after Tax available for appropriation	183.97	133.16
Your Directors recommend appropriation as under	:	
Proposed Dividend on Equity Shares	32.52	0
Dividend Tax on Proposed Dividend	6.50	0
Transfer to General Reserve	0	0
Income Tax /TDS/ wealth Tax Provision	0	0
Surplus Carried Forward	144.95	133.16
Total Appropriation	144.95	133.16

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

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

- Revenue from operations little increased this year by 0.84% to Rs. 49,71,05,371/-
- Sales also increased by 0.80% to Rs. 49,68,35,693/-

Further our Company putting the efforts to increase more sale as well as revenues of the Company this year.

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

4. DIVIDEND

The Directors recommended dividend of Rs. 1.00/- i.e.10% per share on Equity shares for the year ended 31st March 2017, which will attract dividend tax of Rs. 6.50 lakh.

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 have taken many measures to achieve the maximum capacity utilization to bring down the overhead cost. Our company is performing by comparing the results of initiatives to objectives and evaluating to what extent we met our targets. Independently of that process, we are using financial indicators to evaluate our company's business performance and compare it to that of market of the same field. The key operational variables for performance evaluation are sales and profitability.

For this, the company will relaunch its own Brand "LOTUS BAWA" In September and has received good response in the domestic market. The Company is providing training to workers and staff to improve the Quality according to the market demand & increase efficiency of work. This will further reduce the operating cost of the product. These impact overall performance through the ability of the company to offer high levels of service to its customers.

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 Ten (10) times during the financial year 2016-17. The details of various Board Meetings are provided in the Corporate Governance Report.

b) Changes In Directors and Key Managerial Personnel

- Mr. Surat Singh Bajwa, Director of the Company is ceased to be director of the Company on account of his sudden death on 14.04.2016
- Ms. Lissy Jacob has been appointed as Director of the Company w.e.f. 05.05.2016.
- Ms. Manjit Bawa has resigned from the post of Director-cum-Chairman of the Company w.e.f 05.05.2016.
- Ms. Harnarinder Deep Kaur, has been appointed as Independent Director of the Company w.e.f 13.08.2016.
- Mr. Simarjit Singh Bawa has been appointed as Managing Director of the Company w.e.f. 29.09.2016
- Mr. Atamjit Singh Bawa has been appointed as Chairman and Whole-Time Director of the Company w.e.f. 29.09.2016

c) Re-Appointment

In accordance with the provisions of the Act-

- Ms. Lissy Jacob, Director is liable to retire by rotation at this Annual General Meeting and being eligible have offers herself 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 shall carry out evaluation of Director's performance.

The criteria of evaluation is 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 is a member/ general meetings, participation constructively and actively in the meetings of the Board /committees of the Board, etc.

i). Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour.

The Company has 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 2016-17.

18. STATUTORY AUDITORS

M/S VSAP & ASSOCIATES, Chartered Accountants, (Firm Registration No. 018705N) are appointed as statutory auditors of the Company hold office from the conclusion of this 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, 2017 to 29th September, 2017 (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 2016-17:

(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 2016-17 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
Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
DIN: 00851651

Atamjit Singh Bawa
Whole-Time Director
DIN: 00807400

Place: Jalandhar
Date: 28.08.2017

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 LED lights to reduce lighting power consumption.
- II. Expenditure on power and fuel during the year ending 31st March, 2017 under review is Rs. 113.08 lakh as compared to Rs. 104.33 lakh during year ending 31st 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.	EVA and Rubber Mould	China	2016-17	Already in operations
2.	4 set of Vulcanizing Press for Automatic Rubber Compression Molding Machine for Rubber Outsole	Taiwan	2015-16	Already in operations
3.	PVC Direct Injection Soling Machine	Taiwan	2015-16	Already in operations
4.	One screen Printing Dryer Machine	Honk Kong	2014-15	Already in operations

(i) Expenditure incurred on Research & Development

S.No.	Particulars	Amount (in Rs.)
1.	Material used	42,339/-
2.	Salary to development & designing Staff and workers	16,78,433/-

(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
 Sarup Industries Ltd

Simarjit Singh Bawa
 Managing Director
 DIN: 00851651

Atamjit Singh Bawa
 Whole-Time Director
 DIN: 00807400

Place: Jalandhar
 Date: 28.08.2017

ANNEXURE 'B'
Forming Part of the Directors' Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

[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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Changed During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	2418500	-	2418500	74.36	2418500	-	2418500	74.36	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A)	2418500	-	2418500	74.36	2418500	-	2418500	74.36	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	62822	5000	67822	2.09	91991	5000	96991	2.98	0.89
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	402560	161263	563823	17.3	363643	158363	522006	16.05	-1.25
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	183989	-	183989	5.66	194309	-	194309	5.97	0.31
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	3141	-	3141	0.10	3725	-	3725	0.11	0.01
Hindu Undivided Family	14975	-	14975	0.46	13469	-	13469	0.41	-0.05
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	150	-	150	0.00	0	-	0	0	0.00
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
NBFCs Registered with RBI	-	-	-	-	3400	0	3400	0.1	0.1
Sub-total (B)(2):-	667637	166263	833900	25.64	670537	163363	833900	25.64	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	667637	166263	833900	25.64	670537	163363	833900	25.64	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3086137	166263	3252400	100.00	3089037	163363	3252400	100.00	0.00

(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	400100	12.30		1040800	32.00	0	19.7
2	SIMARJIT SINGH BAWA	486646	14.96		486646	14.96	0	0
3	ATAMJIT SINGH BAWA	1531754	47.10		891054	27.40	0	19.7

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

S. No.	Particulars	Shareholding at the beginning 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	NA	NA	NA	NA
	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	NA	NA	NA	NA

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

S.N	Name of the shareholder	Shareholding		Date (as on or before)	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (1.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares at the beginning (1.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company
1.	Manoj Dua	71212	2.20	31/03/2016				
				14/10/2016	1000	Purchase	72212	2.22
		72212	2.22	31/03/2017				
2.A	Sangeetha S	50290	1.55	31/03/2016				
				14/10/2016	50290	Sale	0	0
2.B	Subramanian P	0	0	31/03/2016			0	0
				14/10/2016	57680	Purchase	57680	1.77
		57680	1.77	31/03/2017				
3.	Puneet Dewan	32057	0.98	31/03/2016				
					0	No Change		
		32057	0.98	31/03/2017				
4.	Raj Karni Dua	30430	0.93	31/03/2016				
				26/08/2016	42	Sell	30388	0.93
		30388	0.93	31/03/2017				
5.	Ramakant & Co Pvt Ltd	23803	0.73	31/03/2016				
					0	No Change		
		23803	0.73	31/03/2017				
6.	Vandna	20000	0.61	31/03/2016				
					0	No Change		
		20000	0.61	31/03/2017				
7.	Cometent Finman Pvt. Ltd	0	0	31/03/2016				
				26/08/2016	20000	Purchase	20000	0.61
		20000	0.61	31/03/2017				

8.	Anant Prasad Agarwal	15748	0.48	31/03/2016				
				05/08/2016	1	Purchase	15749	0.48
				04/11/2016	736	Purchase	16486	0.51
				09/12/2016	114	Purchase	16600	0.51
				13/01/2017	10	Purchase	16610	0.51
				03/02/2017	221	Purchase	16831	0.52
				03/03/2017	99	Purchase	16930	0.52
				17/03/2017	161	Purchase	17091	0.53
				24/03/2017	190	Sale	16901	0.52
		5251	0.16	31/03/2017	11650	Sale	5251	0.16
9..	Rajesh Kumar Agarwal	13652	0.42	31/03/2016				
				03/02/2017	4348	Purchase	18000	0.55
				03/03/2017	1		18001	0.55
				17/03/2017	83		18084	0.56
		6084	0.19	31/03/2017	12000	Sell	6084	0.19
10.	Pawan Kumar	15600	0.48	31/03/2016				
					0	No Change		
		15600	0.48	31/03/2017				
11..	LSE Securities Limited	15420	0.47	31/03/2016				
				03/06/2016	1	Purchase	15421	0.47
				10/06/2016	1	Sell	15420	0.47
				12/08/2016	64	Purchase	15684	0.48
				23/09/2016	125	Sell	15295	0.47
		15495	0.48	31/03/2017	200	Purchase	15495	0.48
12.	Sharekhan Limited	190	0.01	31/03/2016				
				31/03/2017	23826	Purchase	24016	0.74
		24016	0.74					

*Positioning fluctuate due to Change in shareholding during the year sale purchase.

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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (1.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares at the beginning (1.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company
1	Atamjit Singh Bawa	1531754	47.10	31/03/2016				
					640700	Sale		
		891054	27.40	31/03/2017			891054	27.40
2	Simarjit Singh Bawa	486646	14.96	31/03/2015				
					0	No Movement		
		486646	14.96	31/03/2016			486646	14.96
3	Gurendra Singh Bedi	200	0.0061	31/03/2016				
					0	No Movement	200	0.0061
		200	0.0061	31/03/2017				

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)
Indebtedness at the beginning of the financial year				
i) Principal Amount	1560.14	1446.31	0	3006.45
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1560.14	1446.31	0	3006.45
Change in Indebtedness during the financial year			0	
* Addition	239.27	247.74	0	487.01
* Reduction	20.27	0.00	0	20.27
Net Change	219.00	247.74	0	466.74
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	1779.14	1694.05	0	3473.19

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	1,98,000	2,67,600	4,65,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,58,090	1,56,045	5,14,135
	(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)	5,56,090	4,23,645	9,79,735
	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		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,86,000	2,40,000	4,26,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,000	3,78,500	4,08,5000
	(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	NIL	NIL	NIL
	-as % of profit	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	2,16,000	6,18,500	8,34,500

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
Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
DIN: 00851651

Atamjit Singh Bawa
Whole-Time Director
DIN: 00807400

Place: Jalandhar
Date: 28.08.2017

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-M/s Bawa Skin & Co., a partnership firm in which 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- 34,376,386.47/-

By Order of the Board of Directors
Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
DIN: 00851651

Atamjit Singh Bawa
Whole-Time Director
DIN: 00807400

Place: Jalandhar
Date: 28.08.2017

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;	Name of the Director	Ratio to the Median
	Mr. Simarjit Singh Bawa, Executive Director	2.78
	Mr. Lajpat Sangwan, Executive Director	3.65
(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;	Name of the Directors & Key Managerial Personnel	% increase
	Mr. Ramesh Chand Sharma, Chief Financial Officer	1.15
(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;	912	
(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.	

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2017**

The Members,
Sarup Industries Limited
Jalandhar

We have conducted the secretarial audit for the financial year 2016-17 of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2017 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, 1992 and 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

have been duly Complied with as per the Representation received from the Company and on relying upon the Statutory Audit Report and Cost Audit Report.

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

(i) Secretarial Standards with respect to board and general meetings issued by The Institute of Company Secretaries of India which were in force from July 01, 2015 onwards and;

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

- As per the minutes of annual general meeting held on September 29, 2016, CA Sanjeev Manav Jain attended on behalf of CA YK Sud (Statutory Auditor).

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Decisions of the Board Meetings, as represented by the management, were taken unanimously.

We further report that 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.

Place: Jalandhar

Dated: June 30, 2016

**For Dinesh Gupta & Co.
Company Secretaries**

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

This Report is to be read our letter of even date which is annexed to this Report as Annexure A and forms integral part of this Report.

The Members
Sarup Industries Limited

We have conducted the secretarial audit for the financial year 2016-17 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.

Place: Jalandhar

Dated: June 30, 2016

**For Dinesh Gupta & Co.
Company Secretaries**

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

Indian leather industry is the core strength of the Indian footwear industry. It is the engine of growth for the entire Indian leather industry and India is the second largest global producer of footwear after China. Many global retail chains seeking quality products at competitive prices are actively sourcing footwear from India; we are also a part of it.

The industry is poised for adopting the modern and state-of-the-art technology to suit the exacting international requirements and standards. 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.

Our Company have taken many measures to achieve the maximum capacity utilization to bring down the overhead cost. Our company is performing by comparing the results of initiatives to objectives and evaluating to what extent we met our targets. Independently of that process, we are using financial indicators to evaluate our company's business performance and compare it to that of market of the same field. The key operational variables for performance evaluation are sales and profitability.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Research and Development. • Easily accessible Raw material. • Growing international & domestic market. • Exposure to export markets. • Government support in various subsidy schemes 	<ul style="list-style-type: none"> • Environmental problems. • Dependence on imported machines and components • Horizontal growth of tanneries • Dependency on footwear sale. • Insufficient Enterprising Attitude of the Industry
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Use of e-commerce in direct marketing. • Use of modern technology • Growing fashion consciousness globally as well as domestic market • Increase quality, innovation, competition & brand building. • There are no barriers to entry. 	<ul style="list-style-type: none"> • High competition • Entry of multinational in domestic market. • Increasing trend of E-commerce. • Stricter international standards. • Major part of the industry is unorganized.

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 global footwear market is rising expeditiously as footwear is increasingly becoming a fashion accessory. Not only this, the increasing demands for trendy, yet comfortable footwear among all age groups a key factor driving the global footwear market.

The Company has a wide scope for growth of footwear industry with all the positives on its side. Our access to state-of-the art machineries opens up a number of possibilities as a stimulating factor. The way footwear sector has become prominent in the non-leather industry, at present most of footwear brands in India are putting efforts on deploying resources and producing high-quality and durable non-leather footwear for the entire family.

Further our company will relaunch its own Brand "LOTUS BAWA" In September and has received good response in the domestic market. The Company is providing training to workers and staff to improve the Quality according to the market demand & increase efficiency of work. This will further reduce the operating cost of the product. These impact overall performance through the ability of the company to offer high levels of service to its customers.

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 little increase. Revenue from operations increased this year by 0.84% to Rs. 4971/- lakhs and Sales also increased by 0.80% to Rs. 4968 lakhs.

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

The Company's Philosophy is based on the key elements in corporate governance viz; transparency, disclosure, supervision and internal controls. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

We believe that good corporate governance emerges from the application of the best and sound management practices and compliances with the law coupled with adherence to the highest standards of transparency and business ethics.

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 attendance at the Board Meetings

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

S.NO	FULL NAME OF DIRECTOR (S)	DIN/PAN	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION (IF ANY)
1	SIMARJIT SINGH BAWA	00851651	MANAGING DIRECTOR	22/09/1995	
2	MANJIT BAWA	00851617	DIRECTOR	08/10/1994	05/05/2016
3	ATAMJIT SINGH BAWA	00807400	WHOLE TIME DIRECTOR	01/10/2005	
4	SURAT SINGH BAJWA	00377832	INDEPENDENT DIRECTOR	30/07/2003	04/04/2016 (DEATH)
5	ASHWANI ARORA	01809365	INDEPENDENT DIRECTOR	28/09/2007	
6	GURENDRA SINGH BEDI	02442047	INDEPENDENT DIRECTOR	22/09/1995	
7	LAJPAT SANGWAN	07035654	DIRECTOR	23/12/2014	
8	SURINDER SINGH CHEEMA	07273630	INDEPENDENT DIRECTOR	13/08/2015	
9	LISSY JACOB	07510795	DIRECTOR	05/05/2016	
10	HARNARINDER DEEP KAUR	07592946	INDEPENDENT DIRECTOR	13/08/2016	

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	10	10
2.	Mr. Atamjit Singh Bawa	Whole Time Director	10	10
3.	Ms. Manjit Bawa	Chairman-Non Executive	1	1
4.	Mr. Ashwani Arora	Independent-Non Executive	10	2
5.	Mr. G.S. Bedi	Independent-Non Executive	10	1
6.	Mr. Lajpat sangwan	Director	10	1
7.	Col. Dr. Surinder Singh Cheema*	Independent-Non Executive	10	10
8.	Ms. Lissy Jacob	Executive Director	8	8
9.	Ms. Harnarinder Deep Kaur	Independent-Non Executive	5	5

* Ms. Manjit Bawa has resigned from the post of Director w.e.f 05.05.2016

* Ms. Lissy Jacob has appointed w.e.f. 05.05.2016

* Ms. Harnarinder Deep Kaur has appointed w.e.f. 13.08.2016

Our Board of Directors met 10 times during the period under review on the following dates: -

14 th April, 2016	5 th May,2016	24 th May, 2016	9 th July, 2016	13 th August, 2016
25 th August, 2016	14 th November,2016	23 rd December,2016	14 th February,2017	27 th March,2017

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 prior to its reconstitution are as follows-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr. Surinder Singh Cheema	Chairman	Independent Non Executive	2	2
2	Mr. Simarjit Singh Bawa	Member	Whole-Time Director	2	2
3	Mr. Ashwani Arora	Member	Independent Non Executive	2	1

*Meetings held till 13.08.2016

Members of the audit committee after its reconstitution are as follows- (25.08.2016)

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

The Audit Committee had met 5 (Five) times during the year 2017-18 on 24th May 2016, 13th August 2016 , 14th November, 2016, 14th February, 2017 and 27th March,2017.

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 prior to its reconstitution are as follows-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr Surinder Singh Cheema	Chairman	Independent Non Executive	2	2
2	Mr. Ashwani Arora	Member	Independent Non Executive	2	2
3	Col. Surat Singh Bajwa	Member	Independent Non Executive	2	0

Meetings held till 25.08.2016

Members of the Nomination and Remuneration Committee after its reconstitution are as follows-(25.08.2016)

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr Surinder Singh Cheema	Chairman	Independent Non Executive	2	2
2	Mr. Ashwani Arora	Member	Independent Non Executive	2	0
3	Ms. Harnarinder Deep Kaur	Member	Independent Non Executive	2	2

The Nomination and Remuneration Committee had met 4 (Four) times during the year 2017-18 on the 05th May, 2016, 9th July 2016, 25th August 2016 and 27th March, 2017.

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 prior to its reconstitution are as follows-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Col. Surat Singh Bajwa	Chairman	Independent Non Executive	1	0
2	Mr. Simarjit Singh Bawa	Member	Whole-Time Director	1	1
3	Mr. lajpat Sangwan	Member	Executive Director	1	1

Meetings held till 25.08.2016

Members of the Stakeholder's Relationship Committee after its reconstitution are as follows- (25.08.2016)

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Ms. Harnarinder Deep Kaur	Chairman	Independent Non Executive	1	1
2	Mr. Simarjit Singh Bawa	Member	Managing Director	1	1
3	Mr. lajpat Sangwan	Member	Executive Director	1	0

The Stakeholder's Relationship Committee had met 2 (Two) times during the year 2017-18 on 14th April 2016 and 23rd December, 2016.

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 01.04.2016 to 31.03.2017

Sr No	REQUESTS/COMPLAINTS	Received	Replied/ Resolved
1	For Change of address	2	2
2	For Revalidation of Dividend Warrants/ DD's	18	18
3	For Duplicate issue of shares	1	1
4	For Transfer of Shares	2	2
5	SCORE complaints	0	0
6	Others	2	2
	PENDING	0	0

4. GENERAL BODY MEETINGS OF THE COMPANY

Financial Year Ended	Date	Day	Time	Venue
31 st March 2016	29 th September, 2016	Thursday	11:00 AM	P.O. Ramdasapura, Jalandhar
31 st March 2015	29 th September, 2015	Tuesday	11:00 AM	P.O. Ramdasapura, Jalandhar
31 st March 2014	29 th September, 2014	Monday	10.30 AM	P.O. Ramdasapura, Jalandhar

Special Resolution: In the AGM for year ending 31st March, 2015 two Special Resolutions were passed Detail of which is as under:-

1. Special Resolution passed to adopt new Articles of Association of the Company pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (incorporation) Rules, 2014.
2. Special Resolution passed to mortgage and/or charge of movable/immovable properties as per section 180(1)(a) and all other applicable provisions of the Companies Act, 2013
3. Special Resolution passed for increase in borrowing limits as per section 180(1)(c) and all other applicable provisions of the Companies Act, 2013.

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

- 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.

6. GENERAL SHAREHOLDER INFORMATION

Date of incorporation	27th July, 1979
Registered office	P.O. Ramdaspora, Jalandhar – 144003
Date and Time of Annual General Meeting	29 th September, 2017 at 11:00 AM (IST)
Venue of Annual General Meeting	P.O. Ramdaspora, Jalandhar – 144003

Financial Calendar

Financial reporting for 1st Qtr. ending June 30, 2017	End of July 2017
Financial reporting for 2nd Qtr. ending Sept 30, 2017	End of October 2017
Financial reporting for 3rd Qtr. ending Dec 31, 2017	End of January 2018
Financial reporting for 4th Qtr. ending March 31, 2018	End of May 2018

Date of Book Closure	23rd September, 2017 to 29th September, 2017
Dividend for 2016-2017	10% Per Equity Shares

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 2015-16 & 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, 2017

Share /Deb. Holding	Share/Deb. Holders (Nos.)	% to total number	Share/ debenture physical	%age
Up to 500	1889	92.24	2252940	6.93
501-1000	71	3.47	544220	1.67
1001-2000	32	1.56	443560	1.36
2001-3000	18	0.88	449590	1.38
3001-4000	3	0.15	104000	0.32
4001-5000	10	0.49	458150	1.41
5001-10000	9	0.44	598370	1.84
10001 & Above	16	0.78	27673170	85.09
Total	2048	100	32524000	100

b. Shareholding Pattern as on 31st March 2017

Category of Shareholders	No. of Shareholders	No. of fully paid up equity shares held	Shareholding as a %
(A) Promoter & Promoter Group	3	24,18,500	74.36
(B) Public	2094	8,33,900	25.64
Total	2097	32,52,400	100.00

c. Dematerialization of shares & liquidity as on 31st March, 2017.

	Number of shares	% of Total Issued Cap.
Shares held in dematerialized form in CDSL	149380	4.59
Shares held in dematerialized form in NSDL	2939657	90.38
Shares held in Physical	163363	5.02
Total	3252400	100%

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, 2017.

For the Period: April 2016 to March 2017

Month	High	Low	No. of Shares
April-16	67.40	57.15	8464
May-16	66.80	50.30	15982
June-16	67.85	51.35	9198
July-16	76.00	54.05	7307
August-16	86.95	70.00	7708
September-16	78.55	64.15	8504
October-16	69.80	61.00	6870
November-16	65.50	57.60	2024
December-16	66.95	60.05	5684
January-17	68.95	60.15	9251
February-17	68.05	57.70	10102
March-17	68.35	59.45	12336

Location Address

Sarup Industries Limited, P.O. Ramdaspora, Jalandhar- 144003, Punjab (INDIA)
Ph: 0181-2271556/7 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 exclusively for the purposed of registering complaints by investors. The Shareholders may address their correspondence to:

Company Office (Registered)

Megha Gandhi, Company Secretary
Sarup Industries Limited
P.O. Ramdaspora,
Jalandhar-144003, Punjab
Phone Nos: 0181-2271556/7/8
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 2016-17.

Please refer this link for read the policy on related party transaction
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, 2017, 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)

To,

The Members
Sarup Industries Limited

Sub-Declaration regarding compliance with the Code of Conduct by Board Members and Senior Management personnel

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 2016-17.

Date: 14.08.2017
Place: Jalandhar

Atamjit Singh Bawa
Managing Director

CEO/CEO CERTIFICATION

To,

The Board of Directors,
Sarup Industries Limited

We hereby certify that for the financial year 2016-17:

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: 14.08.2017

R C 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, 2017 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: 14.08.2017

For Y.K.Sud & Co.
Chartered Accountant

Y.K. Sud.
Prop.

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

We have audited the accompanying financial statements of SARUP INDUSTRIES LIMITED ("the company"), which comprises the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and Matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2017;
- 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.

Report on Companies (Auditors Report) Order, 2015

As required by the Companies (Auditors Report) Order, 2015 issued by the Central Government in terms of Sub-section (11) of section 143 of the Companies Act 2013. We hereby enclose annexure, statement(s) on the matters specified in paragraphs 3 and 4.

Report on other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- 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.
- 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) There is nothing to disclose which is having adverse effect on the functioning of the company.
- f) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- 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 Y. K. SUD & CO
Chartered Accountants

(Y. K. Sud)

Prop.

(Membership no. 16875)

Place: Jalandhar

Date: 30.05.2017

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of SARUP INDUSTRIES LTD for the year ended 31st March, 2017.

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 not granted any loan 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.
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.

**For Y.K. Sud & Co
Chartered Accountants**

Place : Jalandhar
Date : 30.05.2017

**(Y.K. Sud)
Prop.
M No 16875**

Balance Sheet as at 31 March, 2017

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
			AMOUNT(IN ₹)	AMOUNT(IN ₹)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	32,524,000	32,524,000
	(b) Reserves and surplus	4	191,903,298	190,724,908
	(c) Money received against share warrants	29.1	-	-
			224,427,298	223,248,908
2	Share application money pending allotment	29.2		
3	Non-current liabilities			
	(a) Long-term borrowings	5	203,192,672	154,491,529
	(b) Deferred tax liabilities (net)	30.10	-	-
	(c) Other long-term liabilities	6	20,665,187	28,821,570
	(d) Long-term provisions	7	-	-
			223,857,859	183,313,099
4	Current liabilities			
	(a) Short-term borrowings	8	144,126,545	146,154,273
	(b) Trade payables	9	106,890,663	103,189,924
	(c) Other current liabilities	10	33,746,795	37,720,248
	(d) Short-term provisions	11	46,568,480	47,751,600
			331,332,483	334,816,045
	TOTAL		779,617,640	741,378,052
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12.A	150,733,521	150,511,117
	(ii) Intangible assets	12.B	-	-
	(iii) Capital work-in-progress		130,889,432	104,136,302
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale	29.9	-	-
			281,622,953	254,647,419
	(b) Non-current investments	13	7,079,064	4,279,064
	(c) Deferred tax assets (net)	30.10	2,572,747	2,829,698
	(d) Long-term loans and advances	14	2,137,967	2,125,967
	(e) Other non-current assets	15	914,047	67,884
			12,703,825	9,302,612
2	Current assets			
	(a) Current investments	16	-	-
	(b) Inventories	17	281,903,276	284,082,054
	(c) Trade receivables	18	134,526,721	111,950,074
	(d) Cash and cash equivalents	19	5,113,978	8,959,226
	(e) Short-term loans and advances	20	59,990,482	60,154,506
	(f) Other current assets	21	3,756,405	12,282,159
			485,290,862	477,428,020
	TOTAL		779,617,640	741,378,052
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Y.K. Sud & Co;
Chartered Accountants

For and on behalf of the Board of Directors

(Prop.)
Atamjit Singh Bawa
Chairman
DIN: 00807400**Simarjit Singh Bawa**
Mg. Director
DIN:00851651Place : JALANDHAR
Date : 5/30/2017
Megha Gandhi
Company Secretary**R.C. Sharma**
C. F. O.

Statement of Profit and Loss for the year ended 31 March, 2017				
Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
			₹	₹
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	22	497105371	492934626
	Less: Excise duty	22	0	0
	Revenue from operations (net)		497105371	492934626
2	Other income	23	963421	1432701
3	Total revenue (1+2)		498068792	494367326
4	Expenses			
	(a) Cost of materials consumed	24.a	257,254,982	282,783,787
	(b) Purchases of stock-in-trade	24.b	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.c	(2,633,025)	4,130,387
	(d) Employee benefits expense	25	144303070	134654111
	(e) Finance costs	26	18146663	18064104.41
	(f) Depreciation and amortisation expense	12.C	17,310,863	17,507,072
	(g) Other expenses	27	58249430	62551473
	Total expenses		492631984	519690934
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		5436809	-25323607
6	Exceptional items	28.a	-	0
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		5,436,809	(25,323,607)
8	Extraordinary items	28.b	-	0
9	Profit / (Loss) before tax (7 ± 8)		5,436,809	(25,323,607)
10	Tax expense:			
	(a) Current tax expense for current year		0	0
	(b) (Less): MAT credit (where applicable)			
	(c) Current tax expense relating to prior years		98589	45520
	(d) Net current tax expense		98589	45520
	(e) Deferred tax		256950	-1816475
11	Profit / (Loss) from continuing operations (9 ± 10)		5,081,269	(23,552,652)
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)	30.11	0	0
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	30.11	0	0
12.iii	Add / (Less): Tax expense of discontinuing operations	30.11	0	0
	(a) on ordinary activities attributable to the discontinuing operations			
	(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13	Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)	30.11		
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 ± 13)		5,081,269	(23,552,652)
15.i	Earnings per share (of ₹ Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations	30.9.a	1.56	-7.24
	(ii) Total operations	30.9.b	1.56	-7.24
	(b) Diluted			
	(i) Continuing operations	30.9.e	1.56	-7.24
	(ii) Total operations	30.9.f		
15.ii	Earnings per share (excluding extraordinary items) (of Rs. ₹10/- each):			
	(a) Basic			
	(i) Continuing operations	30.9.c	1.56	-7.24
	(ii) Total operations	30.9.d	1.56	-7.24
	(b) Diluted			
	(i) Continuing operations	30.9.g	1.56	-7.24
	(ii) Total operations	30.9.h	1.56	-7.24
In terms of our report attached.				
For Y.K. Sud & Co; Chartered Accountants			For and on behalf of the Board of Directors	
(Prop.)			Atamjit Singh Bawa Chairman DIN: 00807400	Simarjit Singh Bawa Mg. Director DIN: 851651
Place : JALANDHAR Date : 5/30/2017			Megha Gandhi Company Secretary	R.C. Sharma C. F. O.

Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		5436809		-25323606.87
<u>Adjustments for:</u>				
Depreciation and amortisation	17,310,863		17,507,071.59	
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares	0		0	
(Profit) / loss on sale / write off of assets	0		0	
Expense on employee stock option scheme	0		0	
Finance costs	18146663		18064104.41	
Interest income	-393296		-1275705.58	
Dividend income	0		-22500	
Provision for retirement gratuity	0		-779154	
		35,064,229.15		33,493,816.42
Operating profit / (loss) before working capital changes		40,501,037.96		8,170,209.55
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	2178778		5359713.069	
Trade receivables	-22576646		11419779.56	
Short-term loans and advances	3064024		-31527268.19	
Long-term loans and advances	-858163		299745.5	
Other current assets	8525754		-2590066.39	
Other non-current assets	0		0	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	3700739		14861307.59	
Other current liabilities	-3973453		2693298.38	
Other long-term liabilities	-8156383		-20533181	
Short-term provisions	-5184589		-1295311	
Long-term provisions	0		0	
		-23279939		-21311982.48
Cash flow from extraordinary items				
Cash generated from operations		17221099		(13,141,772.93)
Prior Period Expenses				
Net income tax (paid) / refunds		-2900000		-3900000.00
		14321099		(17,041,772.93)
Net cash flow from / (used in) operating activities (A)				
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-44413896		-9787629.88	
Proceeds from sale of fixed assets	127500		0	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed				
- Matured				
Current investments not considered as Cash and cash equivalents	-2800000			
Interest received				
- Others	393296		1275705.58	
		-46693100.12		-96489424.3
Cash flow from extraordinary items		0		0
		-46693100.12		-96489424.3
Net income tax (paid) / refunds		0		0
		-46693100.12		-96489424.3
Net cash flow from / (used in) investing activities (B)				

C. Cash flow from financing activities

Proceeds from long-term borrowings	48701143	114049188	
Repayment of long-term borrowings	0	0	
Net increase / (decrease) in working capital borrowings	-2027728	20717025.12	
Proceeds from other short-term borrowings			
Repayment of other short-term borrowings			
Finance cost	-18146663	-18064104	
Dividends paid	0	-5854320	
Tax on dividend	0	-1170520	
		28526752	109677269
Cash flow from extraordinary items		28526752	109677269
Net cash flow from / (used in) financing activities (C)			
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-3845249	(3,853,929)
Cash and cash equivalents at the beginning of the year		8959226	12813155
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents			
Cash and cash equivalents at the end of the year		5113978	8,959,226
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		0	(0.00)
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details)		5113978	8959226
Cash and cash equivalents at the end of the year *		5113978	8959226
* Comprises:			
(a) Cash on hand		57122	104520
(b) Cheques, drafts on hand		190,200.00	75500
(c) Balances with banks			
(i) In current accounts		2617670	3022437
(ii) In EEFC accounts		0	0
(iii) In deposit accounts with original maturity of less than 3 months			
(iv) In earmarked accounts (give details) (Refer Note (ii) below)			
(d) FDRs' with Schedule Banks		2248986	5756769.67
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)			
		5113978	8959226

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Y.K. Sud & Co.
Chartered Accountants

For and on behalf of the Board of Directors

(Prop.)

Atamjit Singh Bawa
Chairman
DIN: 00807400

Simarjit Singh Bawa
Mg. Director
DIN: 851651

Place : JALANDHAR
Date :30/5/2017

Megha Gandhi
Company Secretary

R.C. Sharma
C. F. O.

Name of the Company; Sarup Industries Limitd
Notes forming part of the financial statements

Note	Particulars
1 Corporate information	
2 Significant accounting policies	
2.1 Basis of accounting and preparation of financial statements	<p>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.</p>
2.2 Use of estimates	<p>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.</p>
2.3 Inventories	<p>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.</p>
2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)	<p>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.</p>
2.5 Cash flow statement	<p>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.</p>
2.6 Depreciation and amortisation	<p>For the year 2016-167 'Depreciationon on each asset has been provided on WDV Method as per useful lives prescribed in Schedule II to the Companies Act, 2013 .</p>
2.7 Revenue recognition	<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>
2.8 Other income	<p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>

Note	Particulars
2.9	Tangible fixed assets
	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
2.10	Intangible assets
	<p>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.</p> <p>Refer Note 2.21 for accounting for Research and Development Expenses.</p>
2.11	Foreign currency transactions and translations
	<u>Initial recognition</u>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
	<u>Treatment of exchange differences</u>
	<p>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.</p>
	<p>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.</p>
	<u>Accounting of forward contracts</u>
	<p>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.</p>

Note	Particulars
2.12	Government grants, subsidies and export incentives
	<p>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.</p>
	<p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p>
	<p>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.</p>
	<p>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.</p>
2.13	Investments
	<p>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.</p>
	<p>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.</p>
2.14	Employee benefits
	<p>Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.</p>
	<p><u>Defined contribution plans</u></p>
	<p>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.</p>
	<p><u>Defined benefit plans</u></p>
	<p>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.</p>
	<p><u>Short-term employee benefits</u></p>
	<p>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 :</p>
	<p>(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and</p>
	<p>(b) in case of non-accumulating compensated absences, when the absences occur.</p>
	<p><u>Long-term employee benefits</u></p>
	<p>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.</p>
2.15	Employee share based payments
	<p>The Company formulated no Employee Stock Option Schemes (ESOS) .</p>

Note	Particulars
2.16	<p>Borrowing costs</p> <p>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 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>
2.17	<p>Segment reporting</p> <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>
2.18	<p>Leases</p>
	<p>Company has not given any of its property on lease.</p>
2.19	<p>Earnings per share</p> <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>
2.20	<p>Taxes on income</p> <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>

Note	Particulars
2.21 Research and development expenses	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.
2.22 Joint venture operations	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.
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	The Company entered in no derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.
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	Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.
Misc	No Specified Bank Notes have been deposited by the company in any bank during the period 8th Nov, 2016 to 31st Dec, 2016

SARUP INDUSTRIES LTD
Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	AMOUNT	Number of shares	AMOUNT
(a) Authorised				
Equity shares of RS 10 each with voting rights	4,000,000.00	40,000,000.00	4,000,000.00	40,000,000.00
(b) Issued #				
Equity shares of RS 10 each with voting rights	325,400.00	32,524,000.00	325,400.00	32,524,000.00
(c) Subscribed and fully paid up				
Equity shares of RS 10 each with voting rights	325,400.00	32,524,000.00	325,400.00	32,524,000.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Other changes (give details)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2017				
- Number of shares	3250000			3250000
- Amount (₹)	32500000			32500000
Year ended 31 March, 2016				
- Number of shares	3250000			3250000
- Amount (₹)	32500000			32500000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
1. S. Atamjit Singh Bawa	891054	27.40	1531754	47.1
2. Smt. Manjit Bawa	1040800	32.00	400100	12.3
3. S. Simerjit Singh Bawa	486646	14.96	486646	14.96

Note 4 Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Capital reserve		
Opening balance	3,035,800.00	3,035,800.00
Closing balance	3,035,800.00	3,035,800.00
(b) Securities premium account		
Opening balance	-	-
Closing balance	-	-
(c) General reserve		
Opening balance	27,345,000.00	27,345,000.00
Closing balance	27,345,000.00	27,345,000.00
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	147,027,787.00	147,027,787.00
Less: Interim dividend		
Dividends proposed to be distributed to equity shareholders	147,027,787.00	147,027,787.00
RS 1.00 per share (Nil)		
Tax on dividend	13,316,320.87	37,648,127.00
Provision for Retirement Gratuity	-	-
Transferred to:		
General reserve	3,252,400.00	-
Closing balance	650,480.00	779,154.00
Total	14,494,710.18	13,316,320.87
	191,903,297.20	190,724,907.87

Note 5 Long-term borrowings #

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(b) Term loans		
From banks		
Secured	33787277	9860155
Unsecured	0	0
	33787277	9860155
(d) Deposits		
Secured	0	0
Unsecured	169405395	144631374
	169405395	144631374
Total	203,192,672	154,491,529

Note 5 Long-term borrowings (contd.)

Particulars					
Notes:					
(iii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:					
Particulars	Terms of repayment and security*	As at 31 March, 2017		As at 31 March, 2016	
		Secured	Unsecured	Secured	Unsecured
		₹	₹	₹	₹
<u>Term loans from banks:</u>					
HDFC Bank	Secured against Audi Car	442097		1221625	
HDFC Bank	Secured against Sunny Car Car	4145		183785	
HDFC Bank	Secured against Sunny Car	4145		183786	
State Bank Of India- Buyer Credit	Secured against Machinery	20207280			
State Bank Of India- Buyer Credit	Secured against Machinery	8525344			
HDFC Bank	Secured against Indigo Car	0		0	
Kotak Mahindra Prime Ltd.	Secured against car	0		0	
State Bank of India	OTL A/C(Secured against Machinery)	0		0	
State Bank of India	Secured against Building & Machinery	4290941		4934828	
State Bank of India	Secured against building & Machinery	0		0	
State Bank of India	Secured against building & Machinery	313325		3336131	
Total - Term loans from banks		33787277		9860155	
<u>Loans and advances from related parties:</u>					
From Directors		35105395.00			35331374
From Others		0.00			0
Total - Loans and advances from related parties		35105395.00			35331374
<u>Other loans and advances:</u>					
Shalimar Corporation Ltd		134300000			109300000
Advance 1					
Total - Other loans and advances		169405395.00			144631374.00

Note 6 Other long-term liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Trade Payables: *	-	8,156,383.00
(b) Others:		
(vi) Trade / security deposits received	20,665,187.00	20,665,187.00
Total	20,665,187.00	28,821,570.00

Note 7 Long-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Provision for employee benefits:	NIL	NIL
(b) Provision - Others:	NIL	NIL
Total	-	-

Note 8 Short-term borrowings

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Loans repayable on demand		
From banks		
Secured	144126545	146154273.1
Unsecured	0	0
	144126545	146154273.1
From other parties		
Secured	0	0
Unsecured	0	0
Total	144,126,545	146,154,273.12

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2017	As at 31 March, 2016
		₹	₹
<u>Loans repayable on demand from banks:</u>			
State Bank of India-5250		154105	9821602.3
State bank of India-8045		123981300	101932341.8
State Bank of India(Buyers Credit)		10901250	0
State Bank of India(Buyers Credit)		0	0
HDFC Hundi Discount		0	0
State Bank of India Stand by Lomit		921.5	32681
TERM LOANS REPAYABLE WITHIN ONE YEAR			
HDFC Bank- Audi Car		958968	958968
HDFC Bank		213000	213000
HDFC Bank		213000	213000
Tata Motors Ltd.		0	0
State Bank of India			
State Bank of India-907		6312000	6312000
State Bank of India-402		1392000	1392000
State Bank of India		0	0
Total - from banks		144126544.9	146154273.1

(ii) Details of short-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Loans repayable on demand from banks	135037576.9	111786625.1

Note 9 Trade payables *

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Trade payables:		
Acceptances	72,514,276	66,566,941.59
Advance from Bawa Skin Co	34,376,386.47	36,622,982.00
Total	106,890,662.69	103,189,923.59

Note 10 Other current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(f) Unpaid dividends	1,165,450	1,312,235.60
(j) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	2,333,927	3,789,763.11
(ii) TDS	458,839	-
(ii) Payables on purchase of fixed assets	-	-
(iii) Due to Directors	5,137,795	5,175,886.80
(iv) Interest accrued on trade payables	-	-
(v) Interest accrued on others	-	-
(vi) Trade / security deposits received	-	-
(vii) Advances from customers	11,129,506	10,950,698.36
vii) Expenses Payable	12,860,533.13	13,968,934.75
(viii) Cheques issued but not yet presented	660,745.00	2,522,729.76
Total	33,746,795.41	37,720,248.38

Note 11 Short-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Provision for employee benefits: @		
(b) Provision - Others:		
(i) Provision for tax	-	5,086,000.00
(ii) Provision for proposed equity dividend	3,252,400.00	-
(iii) Provision for proposed preference dividend		
(iv) Provision for tax on proposed dividends	650,480.00	-
(v) Provision for Retirement Gratuity	42,665,600.00	42,665,600.00
	46,568,480.00	47,751,600.00
Total	46,568,480.00	47,751,600.00

Note 12 A Fixed assets

A. Tangible assets	Gross block				Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2016
(a) Land	22935310			22935310				22935310	24824780
Freehold	1889470	9397452		11286922	0			11286922	
(b) Buildings									
Factory Building	37882835			37882835	22009736.55	1507929		14365169	15873098.45
residential building	24164914			24164914	9243124	726691		14195099	14921790
(c) Plant and Equipment									
Owned	237892191	4620354	106000	242406545	153824601.6	12257266		76324676.97	84067589.35
(d) Furniture and Fixtures									
Owned	14437604	200672	72000	14566276	13146265.67	165512		1254498.327	1291338.327
(e) Vehicles									
Owned(motor cars and scooters)	15992040	0	471345	15520655	12462550	1022098	446413	2482460	3529490
Commercial vehicles	968570			968570	853085	33652		81833	115485
Cycle and rikshaw	18841			18841	17900			941	941
(f) Office equipment									
Owned	6561287	105304		6666591	5322196.092	262581		1081813.908	1239090.908
(g) Leasehold improvements									
Owned	919661	78000		997661	747264	52272		198125.4756	172397
(h) Others									
Electric installation	7983902	692830	5000	8671732	5326121.967	553623		2791987.033	2657780.033
Computers	4835997	1550		4837547	3722892.605	384012		730652.3948	1113114.395
Tubewell	540982			540982	487498	0		53484	53484
Moulds and dies	8498927	2602697	0	11101624	7874975.046	292734		2933914.954	623951.9541
Creache	3480			3480	1661	342		2003	1819
Scanner	88410			88410	63442	9812		73254	24968
i) Amortisation	1770121	42339		1812460	1770121	42339		1812460	
Total	387,384,542.00	17,741,197.62	654,345.00	404,471,394.62	236,873,425	17,310,863	446,413	150,733,521	150,511,117
Previous year	390,975,025.00	8,853,420.00	12,443,903.00	390,975,025.00	220,122,256	17,507,072	755,903	170,852,769	170,852,769

Note 12 B Intangible Assets -NIL

Note 12 C Depreciation and amortisation relating to continuing operations:

	For the year ended		For the year ended
	31 March, 2017	31 March, 2016	
Depreciation and amortisation for the year on tangible assets as per Note 12 A	17,310,862.52	17,507,072.00	

Note 13 Non-current investments

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
A. Trade @						
B. Other investments						
(a) Investment property (specify nature), (net off accumulated depreciation and impairment, if any)						
(b) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries						
(ii) of associates						
(iii) of joint venture companies						
(iv) of controlled special purpose entities						
(v) of other entities						
1600 (As at 31-3-2015: 1600) Shares of Rs. Each fully paid up in DSQ	321,893.00	-	321,893.00	321,893.00	-	321,893.00
Shares of Rs. Each fully paid up in Modern Syntex Ltd.	-	18,000.00	18,000.00	-	18,000.00	18,000.00
Shares of Rs. Each fully paid up in Pentamedia	496,820.00	-	496,820.00	496,820.00	-	496,820.00
1500(As at 31-3-15: 1500) Shares of Rs. Each fully paid up in Polars Financial	1,105,265.00	-	1,105,265.00	1,105,265.00	-	1,105,265.00
Share of Rs. Each in Punjab Iron & Steel Co. Ltd	-	15,058.00	15,058.00	-	15,058.00	15,058.00
Shares of Rs. Each in Software Solutions India	-	633276	633,276.00	-	633,276.00	633,276.00
Shares of Rs. Each in Square D Software	1,221,867.00	-	1,221,867.00	1,221,867.00	-	1,221,867.00
Shares of Rs. Each in Star Precession	-	15,000.00	15,000.00	-	15,000.00	15,000.00
Shares of Rs. Each in Star Thapar Milk Products	-	3,000.00	3,000.00	-	3,000.00	3,000.00
Shares of Rs. Each in Umred Agro	-	170000	170,000.00	-	170,000.00	170,000.00
(f) Investment in mutual funds (give details)						
11087.704 (As at 31.3.2017) Units of SBI Magnum Scheme (G)	200,000.00		200,000.00	200,000.00		200,000.00
4424.446 (As at 31-3-2016) Units of HDFC Top 200(G)	78,885.00		78,885.00	78,885.00		78,885.00
Investment in SBI Mutual Funds (Pledged with state bank ogf India as margin Money)	2,800,000.00		2,800,000.00			
Total - Other investments (B)	6,224,730.00	854334	7,079,064.00	3,424,730.00	854,334.00	4,279,064.00
Total (A+B)						

Note 14 Long-term loans and advances

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	₹		₹	
(a) Capital advances *				
(b) Security deposits				
Secured, considered good	0.00		0.00	
Unsecured, considered good	2,137,967		2,125,967	
Doubtful	0.00		0.00	
Less: Provision for doubtful deposits	2,137,967		2,125,967	
	0.00		0.00	

Note 17 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Raw materials	71828947	76528763.04
Goods-in-transit		
(b) Work-in-progress @ (Refer Note below)	43875065	66443799.24
Goods-in-transit		
(c) Finished goods (other than those acquired for trading)	164562435	139360676.2
Goods-in-transit		
(d) Stock-in-trade (acquired for trading)	0	0
Goods-in-transit		
(e) Stores and spares	438752	661592.776
Goods-in-transit		
(g) Others - Packing Material	1198077	1087222.656
Goods-in-transit		
Total	281903276	284,082,054

Note 18 Trade receivables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	0	0
Unsecured, considered good	50,803,707	43,669,935
Doubtful	0	0
	50,803,707	43,669,935
Other Trade receivables		
Secured, considered good	-	0
Unsecured, considered good	83,723,014	68,280,139
	83,723,014	68,280,139
Total	134,526,721	111,950,074

Note 19 Cash and cash equivalents @

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Cash on hand	57,122	104,520
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	1,452,220	1,710,201
(ii) In EEFC accounts	-	-
(iii) In deposit accounts (Refer Note (i) below)	2,248,986	5,756,770
(iv) In earmarked accounts		
- Unpaid dividend accounts	1,165,450	1,312,236
(d) Others (specify nature)		
Cheques deposited but not yet credited	190,200	75,500
Total	5,113,978	8,959,226

Notes:

(i) Balances with banks include deposits amounting to ₹ NIL. (As at 31 March, 2017 ₹ and margin monies amounting to ₹ (As at 31 March, 2017 ₹) which have an original maturity of more than 12 months.

(ii) Balances with banks - Other earmarked accounts include (As at 31 March, 2017) which have restriction on repatriation.

Note 20 Short-term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Loans and advances to related parties (give details @) (Refer Note 30.7)		
(c) Loans and advances to employees		
Secured, considered good		0
Unsecured, considered good	366,907.00	958,670.00
Doubtful		
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	224,582.00	330,298.00
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	984,716	345,585.39
(ii) VAT credit receivable	2,253,270	2,256,951.78
(iii) Service Tax credit receivable	-	252,381.00
(iv) PLA	441	52,441.00
(v) CENVAT Deferred	192,982	
	3,655,991	3,237,657.17
Less: Provision for doubtful inter-corporate deposits	0	0
	3,655,991	3,237,657
(g) Others (specify nature)		
Secured, considered good	0	0
Unsecured, considered good	55,967,584	55,958,179
Doubtful	0	0
	55,967,584	55,958,179
Less: Provision for other doubtful loans and advances	0	0
	55,967,584.16	55,958,179.02
Total	59,990,481.91	60,154,506.19

Note 21 Other current assets

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(d) Others		
(i) advance income tax	3,027,241	11,452,523
(ii) Others (INCENTIVE RECEIVABLE)	329,167	429,639
(iii) Vat Refund	400,000	400,000
Total	3,756,408	12,282,162

Note 22 Revenue from operations

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
(a) Sale of products @ (Refer Note (i) below)	496835693	492888949.7
(b) Sale of services @ (Refer Note (ii) below)	0	0
(c) Other operating revenues # (Refer Note (iii) below)	269677.98	45676
	497105371.3	492934625.7
Total	497,105,371.33	492,934,625.73

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
(i)	Sale of products comprises @:		
	Manufactured goods		
	Shoes and shoes upper	496835693	484058473
	Leather	0	806640
	Total - Sale of manufactured goods	496835693	484865114
	Traded goods		
	Sale ofg Raw Material as such	0	8023836
	Others		
	Total - Sale of traded goods	0	8023836
	Total - Sale of products	496835693	492888950
(ii)	Other operating revenues # comprise:		
	Excchange Rate Difference		
		162826.98	0
	Sale of scrap		
	Duty drawback and other export incentives	0	45676
	Others - Profit on sale of fixed Assets	106851	0
	Total - Other operating revenues	269677.98	45676

Note 23 Other income

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a)	Interest income (Refer Note (i) below)	393296	1275705.58
(b)	Dividend income:		
	others	0	22500
(e)	Net gain on foreign currency transactions and translation (other than considered as finance cost)		
	Insurance Claim	539415.00	0
(g)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	30710.00	134495
	Total	963,421	1,432,701
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits	202923.00	810949.58
	Interest income from long term investments		
	others		
	Interest on income tax refund	190373.00	395728.00
	Other interest- On electric Security	0.00	69028.00
	Total - Interest income	393296	1275705.58
	Miscellaneous income [net of expenses directly attributable ₹ (Year ended 31 March, 2017 ₹)]	732951.98	134495
	Total - Other non-operating income	732951.98	134495

Note 24.a Cost of materials consumed @

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening stock	78,277,578	79,506,905
Add: Purchases	252,443,180	281,554,460
	330,720,758	361,061,365
Less: Closing stock	73,465,776	78,277,578
Cost of material consumed	257,254,982	282,783,787

Note 24.b Purchase of traded goods @

Note 24.c Changes in inventories of finished goods, work-in-progress and stock-in-trade @

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
<u>Inventories at the end of the year:</u>		
Finished goods	164,562,435	139,360,676
Work-in-progress	43,875,065	66,443,799
Stock-in-trade		
	208,437,500	205,804,475
<u>Inventories at the beginning of the year:</u>		
Finished goods	139,360,676.22	155,535,893.00
Work-in-progress	66,443,799.24	54,398,969.00
Stock-in-trade		
	205,804,475.46	209,934,862.00
Net (increase) / decrease	(2,633,024.54)	4,130,387

Note 25 Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Salaries	16508804.00	14999341
Wages	83471942.00	74356137
Contributions to provident and other funds (Refer Note 30.4) @	15145058.00	14696565
Bonus	5245204.36	4559187
Allowances	12907363.00	13520090
Leave encashment	3766008.00	3461773
Ex-gratia	1325554.00	2282718
Family planning	62932.00	64580
Canteen subsidy	196132.00	474280
Retirement Gratuity	3987610.00	4848948
Notice Pay	358931.00	
Staff welfare expenses **	1327532.00	1390492
Total	144303070.4	134654111

Note 26 Finance costs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
(a) Interest expense on:		
(i) Borrowings	18146663	18064104.41
Total	18,146,663	18,064,104

Note 27 Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Notes:		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	90000	90000
For other services	10000	10000
Reimbursement of expenses		
Total	100000	100000
(ii) Details of Prior period items (net)		
Prior period expenses (give details)	0	0
Prior period income (give details)		
1. Bonus w/back	0	-211278
2. Adjustment with suppliers	15286	232104
Total	15286	20826

Note 27 Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Consumption of stores and spare parts	897479.87	2294685.53
Consumption of loose tools *		
Other Manufacturing Exp	4839637.00	2413444
Consumption of packing materials @	13750767.99	15844812.36
Increase / (decrease) of excise duty on inventory		
Excise Duty (net)	1849269.00	3821092
Power and fuel	11308367.00	10433596
Water *	0	0
Rent including lease rentals (Refer Note 30.8.d)	2261195.00	1227000
Repairs and maintenance - Buildings	139940.00	340138
Repairs and maintenance - Machinery	340273.00	800834.52
Repairs and maintenance - Others *	3189717.13	3261174.51
Insurance	759636.00	765112
Rates and taxes	1233172.24	1158028.93
Postage, Telegram and Telephone	1143920.23	1096731.55
Travelling and conveyance *	1349907.31	1352750
Printing and stationery*	381747.00	449109
Freight and forwarding *	7686545.66	7975389.29
Commission *	0.00	192815
Sales discount *	0	0
Business promotion *		
Samples	17245.00	4302
Sales Promotion	20733.00	23180
Advertisement	135053.00	122277
Donations and contributions	49028.00	34840
Legal and professional *	1920612.00	1212599
Payments to auditors (Refer Note (i) below)	100000.00	100000
Miscellaneous expenses *		
Bank Charges	2451782.85	3188127.03
Entertainment Expenses	64235.00	142247
AGM Expenses	15930.00	31865
Festival Expenses	19294.00	80295
Profit on sale Fixed Assets	4283.00	0
Exchange Rate Diff	0.00	1191001
Prior Period Expenses (Net)	15286	20826
Service Tax	440205.00	259534
Security Service Charges	1047054.00	966948
Books & Periodicals	8525.00	11728
Rebate & Discount	246786.56	1373594.1
Fines & Penalties	2000.00	1000
Short & excess Recovery	0.00	29.28
Other Misc. Expense	559803.65	360368
Total	58249430.49	62551473.1

Note 28.a Exceptional items @-NIL**Note 28.b Extraordinary items #-NIL****Note 29 Additional information to the financial statements**

Note	Particulars		
29.1	Monies received against share warrants----- NIL		
29.2	Share application money pending allotment ---- NIL		
		As at 31 March, 2017	As at 31 March, 2016
		₹	₹
29.3	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities	NIL	NIL
	(a) Claims against the Company not acknowledged as debt (give details)		
	(b) Guarantees @ (give details)	6,549,539.00	6,549,539.00
	(c) Other money for which the Company is contingently liable (give details)		
		As at 31 March, 2017	As at 31 March, 2016
29.4	Details of unutilised amounts out of issue of securities made for specific purpose-NA		
29.5	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006-NIL		
29.6	Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges		
	Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:NIL		
29.10	Value of imports calculated on CIF basis @:	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
	Raw materials	104567941	133304806
29.11	Expenditure in foreign currency #:	For the year ended 31 March, 2017	NIL
	Royalty		NIL
	Know-how		NIL
	Professional and consultation fees		
	Interest		
	Export Commission	0.00	40850
29.12	Details of consumption of imported and indigenous items *	For the year ended 31 March, 2017	
		₹	%
	<u>Imported</u>		
	Raw materials	104567941	41.37%
	Components	0	0.00%
	Packing Material	0	0.00%
	Spare parts	0	0
	Total	104567941	ad% (bc%)
	<u>Indigenous</u>	For the year ended 31 March, 2017	
		₹	%
	Raw materials	147875239	58.63%
	Components	897480	100.00%
	Packing Material	13750768	100.00%
	Spare parts		
	Total	162523487	np% (st%)
	Note: Figures / percentages in brackets relates to the previous year		

29.13	Earnings in foreign exchange @@:		
	Export of goods calculated on FOB basis	0	806640
	Royalty, know-how, professional and consultation fees	NIL	NIL
	Interest and dividend	NIL	NIL
	Other income, indicating the nature thereof.	NIL	NIL

Note 30 Disclosures under Accounting Standards

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
30.1	Details of contract revenue and costs	NIL	NIL

Note 30 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
30.2	Details of government grants		
	Government grants received by the Company during the year towards	0	0
	- Subsidies Receivable (Reduced from cost of plant & Machinery)	0	11200000
	- Duty drawback (recognised under Other operating revenues)	0.00	45676
	- Other incentives	NIL	NIL

30.3 Details of amalgamations-NA

30.4

30.4.a

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ (Year ended 31 March, 2015 ₹) for Provident Fund contributions and ₹ (Year ended 31 March, 2014 ₹) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

ii. Post-employment medical benefits

iii. Other defined benefit plans (specify nature)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2017			Year ended 31 March, 2016		
	Gratuity	Post-employment medical benefits	Other defined benefit plans (specify nature)	Gratuity	Post-employment medical benefits	Other defined benefit plans (specify nature)
Components of employer expense						
Current service cost						
Interest cost	2,671,790.00			2671790		
Expected return on plan assets	3,300,467.00			3300467		
Curtailment cost / (credit)	39,492.00			39492		
Total expense recognised in the Statement of Profit and Loss	388,295.00			388,295.00		
Actual contribution and benefit payments for year						
Actual benefit payments						
Actual contributions	708,225.00			708,225.00		
Net asset / (liability) recognised in the Balance Sheet						
Present value of defined benefit obligation	42,786,210.00			42,786,210.00		
Fair value of plan assets	120,610.00			120,610.00		
Funded status [Surplus / (Deficit)]						
Unrecognised past service costs						
Net asset / (liability) recognised in the Balance Sheet	41,886,446.00			41,886,446.00		
Change in defined benefit obligations (DBO) during the year						
Present value of DBO at beginning of the year	42,313,685.00	-	-	42,313,685.00		
Current service cost	2,671,790.00	-	-	2,671,790.00		
Benefits paid	5,888,027.00			5,888,027.00		
Present value of DBO at the end of the year	42,786,210.00	-	-	42,786,210.00		
Change in fair value of assets during the year						
Plan assets at beginning of the year	438,801.00			438,801.00		
Acquisition adjustment	-			-		
Expected return on plan assets	12,663.00			12,663.00		
Actual company contributions	708,225.00			708,225.00		
Actuarial gain / (loss)	(26,829.00)			(26,829.00)		
Benefits paid	5,888,027.00			5,888,027.00		
Plan assets at the end of the year	120,610.00			120,610.00		
Actual return on plan assets						
Actuarial assumptions						
Discount rate	7.30%			7.30%		
Expected return on plan assets	8.25%			8.35%		

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

	2016-17	2015-16
Gratuity		
Present value of DBO	42786210.00	42786210.00
Fair value of plan assets	120610.00	120610.00
Funded status [Surplus / (Deficit)]	(42365600.00)	(42365600.00)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
30.5	Details of borrowing costs capitalised Borrowing costs capitalised during the year - as fixed assets work-in-progress	2279418	2079279

30.6 **Segment information** NA

30.7 **Related party transactions**

30.7.a **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	6,23,000/-
Bawa Skin Co.		Loans and Advanves	3,43,76,386/-

30.8 **Details of leasing arrangements** NA

30.9	Earnings per share		
	Net profit / (loss) for the year from continuing operations	5081269.31	-1915193.995
	Weighted average number of equity shares	3252400	3252400
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	1.56	-0.59

30.10	Deferred tax (liability) / asset		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	2,588,997.00	2,332,178.00
	Provision for doubtful debts / advances	-	0
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	16,250	(497,519.74)
	Net deferred tax (liability) / asset	2,572,747	2,829,698

30.11 **Discontinuing operations-** NO

30.12 **Details of research and development expenditure recognised as an expense** NIL

30.13 **Interest in joint ventures-NA**

31 **Employee Stock Option Scheme-** NIL

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT**FOR SHARES HELD IN PHYSICAL/DEMAT FORM**

To,

The Shareholders

Dear Sir(s)/Madam(s),

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND / INTEREST

Please fill-in the information in **CAPITAL LETTERS** and in **ENGLISH ONLY**. Please **TICK** ☒ wherever is applicable.

Master Folio No. DP ID Client Id

-----For Office Use Only-----

ECS

Ref.No.

Note: On de-materialization of existing physical shares, for which you have availed ECS facility, this form needs to be re-submitted to your Depository Participant.

Name of First holder

Bank name

Branch name

Branch code

(9 Digits Code Number appearing on the **MICR** band of the cheque supplied by the Bank) Please attach a xerox copy of a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account type

Savings ☐Current ☐Cash Credit ☐

A/c No. (as appearing In the chequebook)

Effective date of this Mandate

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company/R & T Agent will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/IRB Infrastructure Developers Limited.

I further undertake to inform the Company /R & T Agent any change in my Bank/branch and account number.

Date: _____

(Signature of First holder)

SARUP INDUSTRIES LIMITED**CIN:** L19113PB1979PLC004014**Regd. Office:** Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, 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 38th Annual General Meeting of the Company to be held at Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab, at 11:00 A.M. on Friday, the 29th day of September, 2017 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, 2017 and Reports of the Directors and Auditors thereon.			
2. Declaration of Dividend			
3. Re-appointment of Director Ms. Lissy Jacob who retires by rotation.			
4. Appointment of Statutory Auditors and fixing their remuneration.			

Signed thisday of 2017

Signature of ShareholderAffix
revenue
Stamp_____
Signature of first proxy holder_____
Signature of second proxy holder_____
Signature of third proxy holder

** This is only optional. Please put a 'V' 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 Registered Office of the Company, 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, P.O. Ramdaspora, Jalandhar-144003, Punjab, India.**Tel No:** (91 181) 2271556 **Fax No:** (91 181) 2277557**Website:** www.lotusbawa.in **E-mail:** 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 38th Annual General Meeting of the Company held at registered office of the Company at M/s Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab at 11:00 AM on Friday, 29th day of September, 2017.

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

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.

SARUP INDUSTRIES LIMITED
Regd. Off: P.O. RAMDASPURA, JALANDHAR-144003
PUNJAB
Tel: 0181-2271556/7/8
Email: shareholders@bawastl.com
Website: www.sarupindustries.com
CIN: L19113PB1979PLC004014