

SARUP INDUSTRIES LIMITED

41ST ANNUAL REPORT AND ACCOUNTS 2019-20

CIN: L19113PB1979PLC004014

REGD OFF: - PLOT NO-141, LEATHER COMPLEX, JALANDHAR-144001, PUNJAB (INDIA)

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

GO GREEN!

DEAR SHAREHOLDERS,

YOU ARE HEREBY REQUESTED TO FURNISH YOUR E-MAIL ADDRESS TO US BY SENDING AND E-MAIL ID TO shareholders@bawastl.com 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

<p>BOARD OF DIRECTORS</p> <p>MR. SIMARJIT SINGH BAWA (MANAGING DIRECTOR)</p> <p>MR. ATAMJIT SINGH BAWA (DIRECTOR)</p> <p>MR.ASHWANI ARORA (DIRECTOR)</p> <p>Col . GURCHARAN SINGH (INDEPENDENT DIRECTOR)</p> <p>MR. GURENDRA SINGH BEDI (INDEPENDENT DIRECTOR)</p> <p>MS.HARNARINDER KAUR (INDEPENDENT DIRECTOR)</p> <p>MS.LISSY JACOB (DIRECTOR)</p> <p>MR. ROHIT RAJPAL (INDEPENDENT DIRECTOR)</p> <p>MR.SURINDER SINGH CHEEMA (INDEPENDENT DIRECTOR)</p> <p>COMPANY SECRETARY MRS. MEGHA GANDHI</p> <p>CHEIF FINANCIAL OFFICER MR. SAJAN</p>	<p>AUDITORS M/S VSAP & ASSOCIATES LANE NO-1 PATEL NAGAR, OPP OLD SABJI MANDI MAIN BANGA ROAD, PHAGWARA-144401</p> <p>LEGAL ADVISOR V.K. SAREEN 7-NEW RAJENDRA NAGAR POLICE LINES ROAD, JALANDHAR</p> <p>SECRETARIAL AUDITOR M/S DINESH GUPTA & CO. COMPANY SECRETARIES , RAJ CHAMBERS, 5-6 HIND SAMACHAR STREET, JALANDHAR-144001</p> <p>INTERNAL AUDITOR M/S SAJIV MANAV JAIN & ASSOCIATES 177, SHAKTI NAGAR, JALANDHAR - 144002</p> <p>REGISTRAR & TRANSFER AGENT SKYLINE FINANCIAL SERVICES PVT LTD D-153 A, 1ST FLOOR, OKHLA INDUSTRIAL AREA PHASE – I, NEW DELHI- 110020</p>
<p>BANKERS STATE BANK OF INDIA -SME BRANCH, JALANDHAR BRANCH, PUNJAB</p>	<p>REGISTERED OFFICE PLOT NO-141, LEATHER COMPELEX JALANDHAR-144021, PUNJAB (INDIA)</p> <p>OTHER OFFICE FOR MAINTAINCE OF BOOKS OF ACCOUNTS OF THE COMPANY P O RAMDASPURA, JALANDHAR 144003, PUNJAB (INDIA)</p> <p>PLANT LOCATIONS (1) PLOT NO.141, LEATHER COMPLEX KAPURTHALA ROAD, JALANDHAR</p> <p>(2) UNIT NO V, VILL SHYAMPUR TAHLIWAL, UNA, (H.P.)</p>

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **41st (Forty First)** Annual General Meeting of the Members of Sarup Industries Limited will be held on **Monday, the 28th day of September, 2020 at 11:00 A.M** through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact 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, 2020, together with the Reports of the Directors and the Auditors thereon.

Item No.2- Retire By Rotation

To appoint a Director in place of **MR. ASHWANI ARORA (DIN: 01809365)** who retires by rotation and being eligible, offers himself for re-election.

SPECIAL BUSINESS

Item No.3- Appointment of Mr. ROHIT RAJPAL as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 161, 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), **Mr. ROHIT RAJPAL (DIN: 08750443)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th May, 2020 in terms of Section 161(1) 149, 150, 152 of the Act and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from 30th May, 2020 to 29th May, 2025."

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Item No.4- Appointment of Col. GURCHARAN SINGH as Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 161, 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), **Col. GURCHARAN SINGH** (DIN: 02425153), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th August, 2020 in terms of Section 161(1) 149, 150, 152 of the Act and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from 26th August, 2020 to 25th August, 2025.”

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**By Order of the Board of Directors
For Sarup Industries Ltd**

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5th May 2020 read with circulars dated 8th April 2020 and 13th April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12th May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as 'e-AGM'.
2. The deemed venue for forty first e-AGM shall be the other Office of the Company at P O Ramdasपुरa, Jalandhar-144003, Punjab.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.sarupindustries.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their e-mail address with Skyline Financial Services Pvt Ltd at <http://www.skylinerta.com/>, info@skylinerta.com.

9. Further, the Company had availed of services offered by NSDL to update email addresses of shareholders of the Company having their holding with a depository participant registered with NSDL and have not registered their email addresses. Members are requested to register their email id and support the green initiative efforts of the Company.
10. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for FY 2020 and Notice of Forty-First e-AGM, may temporarily get themselves registered with Skyline Financial Services Pvt Ltd at <http://www.skylinerta.com/>, info@skylinerta.com for receiving the same. Members are requested to support our commitment to environment protection by choosing to receive the Company's communication through email going forward.
11. In case a person becomes a member of the Company after dispatch of e-AGM Notice, and is a member as on the cut-off date for e-voting, i.e., Tuesday, 22nd September 2020, such person may obtain the user id and password from Skyline by email request on info@skylinerta.com.
12. The Register of Members and Share Transfer Books of the Company will be closed from 23rd September, 2020 to 28th September, 2020 (both days inclusive)
13. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
14. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
15. SEBI vide its notification dated 8th June 2018 as amended on 30th November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialise their physical holdings.
16. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
17. 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
31.03.2013	28th October, 2020	31.03.2015	28th October, 2022
31.03.2014	28th October, 2021	31.03.2017	28th October, 2024

Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 2012-13 onwards before the respective amounts become due for transfer to the above fund.

18. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

19. Instructions for remote e-voting and joining the e-AGM are as follows:

The Instructions for Members For Remote E-Voting Are As Under:-

The remote e-voting period begins on Thursday 24th September 2020 at 10:00 A.M. and ends on Sunday, 27th September 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is

	12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company “SARUP INDUSTRIES LIMITED” for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csankitgandhi@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to shareholders@bawastl.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to shareholders@bawastl.com
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at shareholders@bawastl.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. **The Results of the remote e-voting will be declared on or after the date of the AGM i.e. Monday 28th September, 2020.**
9. 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.

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

ITEM NO:-3

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, appointed **Mr. ROHIT RAJPAL (DIN: 08750443)**, as an Additional Director of the Company by the Board of Directors with effect from 30th May, 2020 under Section 161(1) of the Companies Act, 2013 and as per the Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office 30th May,2020 to 29th May,2025. Subject to the approval of the members.

The Company has received a notice from a member proposing Mr. ROHIT RAJPAL as a candidate for the office of Director of the Company. Mr. ROHIT RAJPAL does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. ROHIT RAJPAL has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. ROHIT RAJPAL fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. ROHIT RAJPAL as an Independent Non-Executive Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, excluding Saturday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. ROHIT RAJPAL as an Independent Non-Executive Director for a term of five consecutive years from 30th May, 2020 to 29th May, 2025.

Mr. ROHIT RAJPAL is an energetic qualified entrepreneur. Mr. ROHIT RAJPAL would bring with him immense experience to the Company in the areas of investment strategy, operations and portfolio development.

Mr. ROHIT RAJPAL is not related to any Director of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI herewith given below:-

NAME: - Mr. ROHIT RAJPAL

DIN: - 08750443

DATE OF BIRTH:-12.11.1985

DATE OF FIRST APPOINTMENT IN THE BOARD:- 30.05.2020

QUALIFICATION, EXPERIENCE & EXPERTISE:- energetic qualified entrepreneur.

NUMBER OF MEETING OF THE BOARD ATTENDED DURING THE YEAR:- N.A.

LIST OF DIRECTORSHIP OF OTHER BOARD:- N.A

LIST OF MEMBERSHIP / CHAIRMANSHIP OF BOARD/COMMITTEES OF OTHER BOARD:- NIL

SHAREHOLDING IN COMPANY:-NIL.

RELATIONSHIP WITH OTHER DIRECTORS, MANAGER AND OTHER KEY MANAGERIAL PERSONNEL OF THE COMPANY:- NO

TERMS AND CONDITIONS OF APPOINTMENT OR RE-APPOINTMENT ALONG WITH DETAILS OF REMUNERATION SOUGHT TO BE PAID AND REMUNERATION LAST DRAWN BY SUCH PERSON:- As decided by the Nomination, Remuneration committee & Board.

JUSTIFICATION FOR CHOOSING THE APPOINTEES FOR APPOINTMENT AS INDEPENDENT DIRECTORS:- bring with him immense experience to the Company in the areas of investment strategy, operations and portfolio development.

None of the Directors or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested financially or otherwise in the Resolution.

Accordingly, based on recommendation of Nomination and Remuneration Committee the Board of Directors recommends the Special Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

ITEM NO:-4

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, appointed **Col. GURCHARAN SINGH (DIN: 02425153)**, as an Additional Director of the Company by the Board of Directors with effect from 26th August, 2020 under Section 161(1) of the Companies Act, 2013 and as per the Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office from 26th August, 2020 to 25th August, 2025. Subject to the approval of the members.

The Company has received a notice from a member proposing Col. GURCHARAN SINGH as a candidate for the office of Director of the Company. Col. GURCHARAN SINGH does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Col. GURCHARAN SINGH is a retired army officer. He is working in the industry since a couple of years and has earned a good name in the industry to which company belongs.

Col. GURCHARAN SINGH has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Col. GURCHARAN SINGH fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Col. GURCHARAN SINGH as an Independent Non-Executive Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, excluding Saturday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Col. GURCHARAN SINGH as an Independent Non-Executive Director for a term of five consecutive years from 26th August, 2020 to 25th August, 2025.

Col. GURCHARAN SINGH would bring with him immense experience to the Company in the areas of human resource management and administration.

Col. GURCHARAN SINGH is not related to any Director of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI herewith given below:-

NAME: - Col. GURCHARAN SINGH

DIN: - 02425153

DATE OF BIRTH:-26.12.1932

DATE OF FIRST APPOINTMENT IN THE BOARD:- 26.08.2020

QUALIFICATION, EXPERIENCE & EXPERTISE:- Col. GURCHARAN SINGH is a retired army officer. He is working in the industry since a couple of years and has earned a good name in the industry to which company belongs.

NUMBER OF MEETING OF THE BOARD ATTENDED DURING THE YEAR :- N.A.

LIST OF DIRECTORSHIP OF OTHER BOARD:- N.A

LIST OF MEMBERSHIP / CHAIRMANSHIP OF BOARD/COMMITTEES OF OTHER BOARD:- NIL

SHAREHOLDING IN COMPANY:-NIL.

RELATIONSHIP WITH OTHER DIRECTORS, MANAGER AND OTHER KEY MANAGERIAL PERSONNEL OF THE COMPANY:- NO

TERMS AND CONDITIONS OF APPOINTMENT OR RE-APPOINTMENT ALONG WITH DETAILS OF REMUNERATION SOUGHT TO BE PAID AND REMUNERATION LAST DRAWN BY SUCH PERSON:- As decided by the Nomination, Remuneration committee & Board.

JUSTIFICATION FOR CHOOSING THE APPOINTEES FOR APPOINTMENT AS INDEPENDENT DIRECTORS:- working in the industry since a couple of years and has earned a good name in the industry to which company belongs would bring with him immense experience to the Company in the areas of human resource management and administration.

None of the Directors or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested financially or otherwise in the Resolution.

Accordingly, based on recommendation of Nomination and Remuneration Committee the Board of Directors recommends the Special Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

**By Order of the Board of Directors
For Sarup Industries Ltd**

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting their **41st Annual Report** on the Business and operations of a Company and the accounts for the Financial Year ended 31st March, 2020.

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 2020	Year ended March 31st 2019
Sales of products and services	2110.11	2012.13
Other Income	14.96	41.72
Total Income	2125.07	2053.85
Total Expenditure other than Interest and Depreciation	2274.17	2598.03
Profit before Interest, Depreciation and Tax	-149.10	-544.18
Depreciation and Amortization Expenses	126.12	161.45
Profit before Interest and Tax	-275.22	-705.63
Finance Cost (net)	283.94	260.73
Profit before Tax	-559.16	-966.36
Provision for Current Tax	0	0
Tax expense	0	0
Provision for Deferred Tax	-3.88	-51.33
Net Profit	-555.28	-915.03
Adjustments in respect of prior years	0	0
Surplus brought forward	-1217.58	-198.69
Profit after Tax available for appropriation	-1772.86	-1113.72
Your Directors recommend appropriation as under:		
Proposed Dividend on Equity Shares	0	0
Dividend Tax on Proposed Dividend	0	0
Transfer to General Reserve	0	0
Income Tax /TDS/ wealth Tax Provision	0	0
Surplus Carried Forward	-1772.86	-1113.72
Total Appropriation	-1772.86	-1113.72

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

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

- Revenue from operations and sales increased this year from Rs. 20,12,13,000/- to Rs.21,10,11,400/- Further our Company putting the efforts to increase the sale as well as revenues of the Company.

3. PROPOSED TRANSFER TO GENERAL RESERVES

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

4. DIVIDEND

In order to conserve the resources of the Company, the director's have decided not to declare any Dividend for the financial year 2019-20.

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 had again launched "Lotus Bawa" brand last year for leather as well as sports footwear. The Company is in process of appointing distributors/stockiest for different regions for marketing the products of Lotus Bawa brand. The Company had also tied up with new manufacturing brands to achieve the maximum utilization capacity to bring down its fixed overhead cost.

In regard to Coral Mall Project at P.O. Ramdaspora, Jalandhar, the Company had received pollution related clearance and getting the project started as early as possible.

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 have been followed along with proper explanation relating to material departures;

(b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors have 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 have prepared the annual accounts on a going concern basis; and

(e) The directors have 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 have 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 Seven (07) times during the financial year 2019-20. The details of various Board Meetings are provided in the Corporate Governance Report.

b) Changes In Directors and Key Managerial Personnel

- Mr. Ramesh Chand Sharma has been resigned from the post of Chief financial Officer and KMP of the Company w.e.f 14.08.2019
- MR. SAJAN has been appointed as Chief Financial Officer of the company under category of KMP w.e.f 14.08.2019
- Designation of MR. ASHWANI ARORA has been changed from independent director to Executive director.
- Mr. Lajpat Sangwan has been resigned from the post of Executive Director of the Company w.e.f 28.08.2019
- Designation of Mr. Atamjit Singh Bawa has been from Whole Time Director to Director of the Company.
- Mr. Rohit Rajpal appointed as an additional Independent director of the Company w.e.f. 30.05.2020.
- Mr. Gurcharan Singh appointed as an additional Independent director of the Company w.e.f. 26.08.2020

c) Re-Appointment

In accordance with the provisions of the Act-

- **Mr. Ashwani Arora (DIN: 01809365)**, 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 reviewed the performance of individual directors on the basis of such as

exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors/ Committees of which he/she is a member/ general meetings, participation constructively and actively in the meetings of the Board /committees of the Board, etc.

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

h). Vigil Mechanism

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

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

i) 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

No loans, guarantees and investments made by the company during the financial year 2019-20 exceeding limit prescribed under Section 186 of Companies act 2013.

18. AUDITORS

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

19 SECRETARIAL AUDITOR REMARK:-

Secretarial Auditor of company Dinesh Gupta & Co. Jalandhar has risen following observation in its secretarial audit report dated-21.08.2020;

Observations:- a) Statements pursuant to Section 134(3)(a) indicating the web address, where annual return referred to in sub-section (3) has been placed is not included in the Director's Report of the Company.

b) The company has not paid the listing fees within the prescribed time period specified by the recognized stock exchange and a notice in this regard vide notice no. 20191203-31dated December 03, 2019 has been issued by Bombay Stock Exchange.

Reply of the Board :- a) Due to clerical error Company skip to mentioned the web address in extract of annual return but web address duly mentioned in **means of communication** under Corporate Governance Report in Director's report.

b) Due to Financial reasons of the Company, company had paid BSE listing fees by 28.11.2019.

20. CORPORATE GOVERNANCE

Your Company has been complying with the as applicable 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 as applicable 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, 2020 to 28th September, 2020 (both days inclusive).

21. 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 2019-20:

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

22. LISTING FEES

The Company confirms that it has paid the annual listing fees for the year 2019-20 to Bombay Stock Exchange Limited.

23. ACKNOWLEDGEMENTS

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

**By Order of the Board of Directors
For Sarup Industries Ltd**

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

ANNEXURE 'A'
Forming Part of the Directors' Report

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

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

A) Conservation of Energy

1) Energy Conservation measures undertaken: -

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

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

2) Additional investments and proposals:

- I. Replacement of conventional lighting with energy efficient lights to reduce lighting power consumption.
- II. Expenditure on power and fuel during the year ending 31st March, 2020 under review is Rs. 58.83 lakh as compared to Rs. 75.39 lakh during year ending 31st March, 2019.

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.

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

The details of which are as follows:-

S.No.	Details of Technology Imported	Technology Import from	Year of Import	Status Implementation/ Absorption
1.	Moulds for Footwear	CHINA	2017-18	IN OPERATIONS
2.	EVA sole injection Mould/ RB Mould/ PVC Mould	CHINA	2017-18	IN OPERATIONS
3.	Easement Needle Detector Machine	CHINA	2017-18	IN OPERATIONS
4.	Pu Synthetic Leather	CHINA	2018-19	IN OPEARTIONS
5.	Polystar Knitted Fabric	CHINA	2018-19	IN OPEARTIONS
6.	EVA injection moved	CHINA	2018-19	IN OPEARTIONS
7.	In sole/out sole	CHINA	2018-19	IN OPEARTIONS
8.	Moulds	CHINA	2019-20	IN OPEARTIONS

(v) Expenditure incurred on Research & Development

S.No.	Particulars	Amount (in Rs.)
1.	Business promotion expenses	34,439
2.	Salary to development & designing staff and workers	16,30,261

(vi) Foreign Exchange Earnings and Outgo

The information relating to foreign exchange earnings and outgo is provided under Note to the Financial Statements attached herewith.

By Order of the Board of Directors
For Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

ANNEXURE 'B'
Forming Part of the Directors' Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

[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 & other office	REGISTERED OFFICE:-141 LEATHER COMPLEX JALANDHAR 144001 IN OTHER OFFICE:-P.O. RAMDASPURA, JALANDHAR, PUNJAB
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
8.	Web address	www.sarupindustries.com
9.	Email Id & Phone No	shareholders@bawastl.com; Tel: 0181-5021037

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

IV. 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Changed During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual/ HUF	2418500	0	2418500	74.36	2418500	0	2418500	74.36	0
b) Central Govt/	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e)Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter(A)	2418500	0	2418500	74.36	2418500	0	2418500	74.36	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	62485	4500	66985	2.06	32214	2200	34414	1.06	-1.00
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	297398	132354	429752	13.21	436391	111427	547818	16.84	3.63
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	294306	15600	309906	9.53	187744	0	187744	5.77	-3.76
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	10267	0	10267	0.32	10266	0	10266	0.32	0
Hindu Undivided Family	13515	0	13515	0.42	13564	0	13564	0.42	0
Clearing Members	0	0	0	0	0	0	0	0	0
NBFCs Registered with RBI	3475	0	3475	0.11	3400	0	3400	0.10	-0.01
IEPF	0	0	0	0	36694	0	36694	1.13	1.13
Sub-total (B)(2):-	681446	152454	833900	25.64	720273	113627	833900	25.64	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	681446	152454	833900	25.64	720273	113627	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)	3099946	152454	3252400	100.00	3138773	113627	3252400	100.00	0

(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	ATAMJIT SINGH BAWA	0	0	0	2257094	69.40	0	69.40
2	SIMARJIT SINGH BAWA	161406	4.96	0	161406	4.96	0	0
3	MANJIT BAWA	2257094	69.40	0	0	0	0	-69.40

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

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

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the Shareholder	Shareholding		Date (as on or before)	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (1.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of shares at the beginning (1.04.2019)/ end of the year (31.03.2020)	% of total share of the Company
1.	RAJESH KUMAR AGGARWAL	27339	0.84	As on 31.03.2019			27339	0.84

				From 01.04. 2019 to 30.06.2019	29809	Purchase	57148	1.76
				From 01.10. 2019 to 31.12.2019	897	Purchase	58045	1.78
		58045	1.78	As on 31.03.2020			58045	1.78
2.	SANGEETHA S	0	0	As on 31.03.2019			0	0
				From 01.10. 2019 to 31.12.2019	57680	Purchase	57680	1.77
		57680	1.77	As on 31.03.2020			57680	1.77
3.	ANANT PRASAD AGARWAL	39405	1.21	As on 31.03.2019			39405	1.21
				From 01.10. 2019 to 31.12.2019	557	Purchase	39962	1.23
		39962	1.23	As on 31.03.2020			39962	1.23
4	PUNEET DEWAN	32057	0.99	As on 31.03.2019			32057	0.99
		32057	0.99	As on 31.03.2020	0	no change	32057	0.99
5	SHASHI KANT	20000	0.61	As on 31.03.2019	0	no change	20000	0.61
		20000	0.61	As on 31.03.2020			20000	0.61
6	VANDANA	20000	0.61	As on 31.03.2019	0	no change	20000	0.61
		20000	0.61	As on 31.03.2020			20000	0.61
7	NEELIMA AGGARWAL	19563	0.60	As on 31.03.2019	0	no change	19563	0.60
		19563	0.60	As on 31.03.2020			19563	0.60
8	Y GOKUL	16439	0.51	As on 31.03.2019	0	no change	16439	0.51
		16439	0.51	As on			16439	0.51

				31.03.2020				
9	PAWAN KUMAR	15600	0.48	As on 31.03.2019	0	no change	15600	0.48
		15600	0.48	As on 31.03.2020			15600	0.48
10	RM MEYYAPPAN	5037	0.15	As on 31.03.2019			5037	0.15
				From 01.04. 2019 to 30.06.2019	7000	Purchase	12037	0.37
				From 01.07. 2019 to 30.09.2019	1037	Purchase	13074	0.40
				From 01.10. 2019 to 31.12.2019	1817	Purchase	14891	0.45
				From 01.01. 2020 to 31.03.2020	131	Purchase	15022	0.46
		15022	0.46	As on 31.03.2020			15022	0.46

E) Shareholding of Directors and Key Managerial Personnel

S.No	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (1.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of shares at the beginning (1.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company
1	Simarjit Singh Bawa	161406	4.96	31/03/2019				
					0	No Movement	161406	4.96
		161406	4.96	31/03/2020				
2	Atamjit Singh Bawa	0	0	31/03/2019				
				17/12/2019	2257094	Acquire shares through Gift Transfer	2257094	69.40
		2257094	69.40	31/03/2020				
3	Gurendra Singh Bedi	200	0.0061	31/03/2019				
					0	No Movement	200	0.0061
		200	0.0061	31/03/2020				

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	1674.73	2249.06	-	3923.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1674.73	2249.06	-	3923.79
Change in Indebtedness during the financial year				
* Addition	-	31.68	-	31.68
* Reduction	(138.57)	-	-	(138.57)
Net Change	(138.57)	31.68		106.89
Indebtedness at the end of the financial year				
i) Principal Amount	1536.16	2280.74	-	3816.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1536.16	2280.74	-	3816.90

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 (in Rs.)
		SIMARJIT SINGH BAWA MANAGING DIRECTOR	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	267974	267974
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	155500	155500

	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	423474	423474
	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.)
		ASHWANI ARORA (EXECUTIVE DIRECTOR)	
1	Independent Directors	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	Total (1)	NIL	NIL
2	Other Executive or/ and Non-Executive Directors	NIL	NIL
	Basic salary	185226	185226
	Fee for attending board committee meetings**	NIL	NIL
	Commission	NIL	NIL
	Others, please specify	443901	443901
	Total (2)	629127	629127
	Total (B)=(1+2)	629127	629127
	Total Managerial Remuneration (A+B)	1052601	1052601
	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/WT.D.

SN	Particulars of Remuneration	Key Managerial Personnel		
		COMPANY SECRETARY MS. MEGHA GANDHI	CFO MR. SAJAN	Total Amount (in Rs.)
1	Gross salary	186000	142322	328322
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35871	142960	178831
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(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	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	221871	285282	507153

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**By Order of the Board of Directors
For Sarup Industries Ltd**

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

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

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

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

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

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

- (a) Name(s) of the related party and nature of relationship- Bawa Skin Company, a partnership firm where relatives' of promoters of M/.s Sarup Industries Ltd are partners.
- (b) Nature of contracts/arrangements/transactions- Leasing of property and selling of goods.
- (c) Duration of the contracts / arrangements/transactions- NA
- (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, during the year if any- 21,35,447/-

By Order of the Board of Directors
For Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

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, Managing Director	3.60
	Mr. Ashwani Arora Executive Director	5.34
(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
	No Increase This Year	
(iii) the percentage increase in the median remuneration of employees in the financial year;	No Increase.	
(iv) the number of permanent employees on the rolls of company;	528	
(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.	

By Order of the Board of Directors
For Sarup Industries Ltd

Simarjit Singh Bawa
Managing Director
Din: 00851651

Atamjit Singh Bawa
Director
Din:00807400

Place: Jalandhar
Date: 31.08.2020

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended March 31, 2020

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

To,
The Members,
Sarup Industries Limited
141 Leather Complex, Jalandhar-144001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sarup Industries Limited** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s 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, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the amendments made there under from time to time;

- d) 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;
- e) 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;

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 (Delisting of Equity Shares) Regulations, 2009; and
- c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(vi) Other laws applicable on the Company including:

- 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
- Income tax Act, 1961
- Goods & Services Tax, 2017
- Factories Act, 1948,
- Industrial Dispute Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946
- The Employee Compensation Act, 1923
- The Apprentices Act, 1961

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and;
- (ii) The Uniform Listing Agreement for equity shares entered into by the Company with BSE Limited, Mumbai and;

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

a) Statements pursuant to Section 134(3)(a) indicating the web address, where annual return referred to in sub-section (3) has been placed is not included in the Director's Report of the Company.

b) The company has not paid the listing fees within the prescribed time period specified by the recognized stock exchange and a notice in this regard vide notice no. 20191203-31 dated December 03, 2019 has been issued by Bombay Stock Exchange.

We further report that 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.

For Dinesh Gupta & Co.
Company Secretaries

CS Dinesh Gupta
(Partner)
M No 3462
Cop No.: 1947
UDIN: F003462B000603424

Place: Jalandhar
Dated: August 21, 2020

Annexure - A

**To,
The Members,
Sarup Industries Limited
141 Leather Complex, Jalandhar -144001**

Sir,

We have conducted the Secretarial Audit for the financial year 2019-20 for the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S Sarup Industries Limited**.

1. The maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**CS Dinesh Gupta
(Partner)
M No 3462
Cop No.: 1947
UDIN: F003462B000603424**

**Place: Jalandhar
Dated: August 21, 2020**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

The COVID-19 disruption is a global pandemic, due to which almost all nations on earth are affected, in varying magnitude. The Ministry of Commerce and Industry has expressed deep concerns over the steady rise of corona-virus cases and its devastating impact on India's major industrial sectors. Greater uncertainty about the future course and repercussion of COVID-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn has impacted consumption levels. There is an urgent need to take immediate steps to not only contain the spread of the virus but also to address the key pain areas of the industry which can help in minimizing the impact of the outbreak on the Indian economy and businesses.

INDUSTRY STRUCTURE & DEVELOPMENT

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

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Research and Development. • Growing international & domestic market. • Outsourcing • Government support in various subsidy schemes 	<ul style="list-style-type: none"> • Environmental problems. • Dependence on imported machines and components • 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. • Growing fashion consciousness globally as well as domestic market • Increase quality, innovation, competition & brand building. 	<ul style="list-style-type: none"> • Entry of multinational in domestic market. • Increasing trend of E-commerce. • Stricter international standards.

OUTLOOK

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

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

The success and eminence of “Lotus Bawa” began as the dream of one man extended to be transformed into the dream of many. We strive to accomplish our dreams and goals to bring greater effulgence in the future. For this the Company had Re-launched “Lotus Bawa” brand for leather as well as sports footwears. The Company is in process of appointing distributors/stockists for different regions for marketing the products of Lotus Bawa brand.

In regard to Coral Mall Project at P.O. Ramdaspora, Jalandhar, the Company had received pollution related clearancelast year and getting the project started as early as possible.

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 due to COVID-19 and slump in our Industry, sale as well as revenue of your Company is decreased. But your Company putting the efforts to cover all the losses of the company and trying to increase the sale as well as revenues of the Company this year.

ENVIORNMENT 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.

PERFORMANCE

The Company operates in single segment i.e manufacturing of shoe and shoe upper. There has been no change during the year under review in the nature of business pursued by the Company. The Company aims to create sustainable vision to grow the business and make long-term strategic investments in various new ventures promoted by the Company. The performance has resulted in revenue from operations of Rs 2110.11 lacs during the year under review, as compared to last year of Rs. 2012.13 lacs.

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.

HUMAN RESOURCES

One of the key pillars of the Company's business is its people. The Company's HR policies and practices are built on core values of Integrity, Passion, Speed, Commitment and Seamlessness. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is into a continuous process of providing a safe work environment for our employees and stakeholders. As on March 31, 2020, the total employees on the Company's rolls stood at 528.

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.

THIS PORTION IS INTENTIONALLY LEFT BLANK

CORPORATE GOVERNANCE REPORT

1. THE COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

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

Composition and Category of Directors and 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
1	Simarjit Singh Bawa	00851651	Managing Director	22/09/1995
2	Atamjit Singh Bawa	00807400	Director	01/10/2005
3	Ashwani Arora	01809365	Director	28/09/2007
4	Gurendra Singh Bedi	02442047	Independent Director	22/09/1995
5	Harnarinder DeepKkaur	07592946	Independent Director	13/08/2016
6	Lajpat Sangwan	07035654	Director	23/12/2014
7	Lissy Jacob	07510795	Director	05/05/2016
8	Surinder Singh Cheema	07273630	Independent Director	13/08/2015

* Lajpat Sangwan has been resigned from the post of director w.e.f.28.08.2019

Name and number of other board of directors or committees in which director is member or chairperson:-

S.NO	FULL NAME OF DIRECTOR (S)	DIN/PAN	DESIGNATION	NO OF BOARD AND COMMITTEE IN WHICH MEMBER OR CHAIRPERSON	LISTED/UNLISTED ENTITY NAME
1	Simarjit singh bawa	00851651	Director	1	YOUNG PRESIDENT'S ORGANISATION (PUNJAB CHAPTER) (Unlisted)
2	Atamjit Singh Bawa	00807400	NIL	NIL	NIL
3	Ashwani Arora	01809365	NIL	NIL	NIL
4	Gurendra Singh Bedi	02442047	NIL	NIL	NIL
5	Harnarinder Deep Kaur	07592946	NIL	NIL	NIL
6	Lissy Jacob	07510795	NIL	NIL	NIL
7	Surinder Singh Cheema	07273630	NIL	NIL	NIL

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	5	5
2.	Mr. Atamjit singh bawa	Director	7	7
3.	Mr. Ashwani Arora	Executive	7	7
4.	Mr. Gurendra Singh Bedi	Independent-Non Executive	7	1
5.	Ms. Harnarinder Deep Kaur	Independent-Non Executive	7	1
6.	Mr. Lajpat Sangwan	Executive Director	4	0
7.	Ms. Lissy Jacob	Executive Director	7	1
8.	Ms. Surinder Singh Cheema	Independent-Non Executive	7	6

* Lajpat Sangwan has been resigned from the post of director w.e.f.28.08.2019

Our Board of Directors met 7 times during the period under review on the following dates: -

24 th April, 2019	18 th May, 2019	30 th May, 2019	14 th August, 2019
28 th August, 2019	14 th November, 2019	14 th February, 2020	

3. COMMITTEES OF THE BOARD

a) Audit Committee

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

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

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

The Audit Committee had met 4(Four) times during the year 2019-20 on 30th May 2019, 14th August 2019 , 14th November 2019 and 14th February 2020.

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.
- Compliance with the accounting standards.

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/removal of auditors of the company, fixation of audit fees and approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board for approval with particular reference to:
 - i) Change, if any, in accounting policies and practices and reasons for the same.
 - ii) Major accounting entries involving estimates based on exercise of judgment by the management.
 - iii) Significant adjustments made in the financial statements arising out of audit findings.
 - iv) Compliance with listing and other requirements relating to financial statements.
 - v) Disclosure of any related party transactions.

- Reviewing with the management, the quarterly and yearly financial statement before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit Process.
- Reviewing the functioning of the Whistle Blower mechanism.
- Carrying out any other function as is mentioned in the terms of references of the Audit Committee.

Review of information

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

b) Nomination and Remuneration Committee

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

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

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

The Nomination and Remuneration Committee had met 2(Two) times during the year 2019-20 on the 18th May, 2019 and 14th August 2019.

The Key Objectives of the Committee would be:

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

Remuneration Policy

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent. The strategy is in consonance with the

existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

Performance evaluation of the Independent directors

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

c) Stakeholder's Relationship Committee

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

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

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Ms. Harnarinder Deep Kaur	Chairman	Independent Non Executive	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 1 (One) time during the year 2019-20 on 14th August, 2019.

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 01.04.2019 to 31.03.2020.

Sr No	REQUESTS/COMPLAINTS	Received	Replied/ Resolved
1	For Change of address	0	0
2	For Revalidation of Dividend Warrants/ DD's	5	5
3	For Duplicate issue of shares	1	1
4	For Transfer of Shares	1	1
5	For Transmission of Shares	0	0
6	SCORE complaints	0	0
7	Others	2	2
	TOTAL	9	9

4. GENERAL BODY MEETINGS OF THE COMPANY

Financial Year Ended	Date	Day	Time	Venue
31st March 2019	27th September 2019	Friday	10.30 AM	Prithvi's Planet Guru Teg Bahadur Nagar, Jalandhar
31st March 2018	28th September 2018	Friday	11.00 AM	Prithvi's Planet Guru Teg Bahadur Nagar, Jalandhar
31st March 2017	29th September, 2017	Friday	11:00 AM	P.O. Ramdaspora, Jalandhar

5. MEANS OF COMMUNICATION

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

- The Company's web-site address is www.sarupindustries.com
- 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	Plot No 141,Leather Complex, Jalandhar – 144021
Date and Time of Annual General Meeting	Monday, the 28th day of September, 2020 at 11:00 A.M
Deemed Venue of Annual General Meeting	P O Ramdaspora, Jalandhar-144001, Punjab
Date of Book Closure	23rd September, 2020 to 28th September, 2020

Financial Calendar	
Financial reporting for 1st Qtr. ending June 30, 2020	End of July 2020
Financial reporting for 2nd Qtr. ending Sept 30, 2020	End of October 2020
Financial reporting for 3rd Qtr. ending Dec 31, 2020	End of January 2021
Financial reporting for 4th Qtr. ending March 31, 2021	End of May 2021

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 2019-20 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.

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, 2020.

For the Period: April 2019 to March 2020

	Month	High	Low	No. of Shares
a.	April 19	48.45	43.75	291
b.	May 19	48.35	48.35	1
c.	June 19	46.95	40.25	200
d.	July 19	43.95	37.90	1254
e.	Aug 19	37.00	33.25	980
f.	Sep 19	34.00	32.00	324
g.	Oct 19	34.50	28.65	3046
h.	Nov 19	29.70	25.90	1354
i.	Dec 19	32.90	25.85	1282
j.	Jan 20	32.30	27.90	496
k.	Feb 20	30.90	29.40	11
	Mar 20	30.75	30.75	1

Distribution of Shareholding as on 31st March, 2020 (Nominal Value of shares Rs 10)

Share or Debenture holding Nominal Value(Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	1567	91.21	1861860	5.72
5001 To 10,000	64	3.73	492340	1.51
10001 To 20,000	31	1.8	432100	1.33
20001 To 30,000	16	0.93	399000	1.23
30001 To 40,000	6	0.35	200140	0.62
40001 To 50,000	9	0.52	417050	1.28
50001 To 1,00,000	7	0.41	491980	1.51
1,00,000 and Above	18	1.05	28229530	86.8
Total	1718	100	32524000	100

Shareholding Pattern as on 31st March 2020

Category of Shareholders	No. of Shareholders	No. of fully paid up equity shares held	Shareholding as a %
(A) Promoter & Promoter Group	2	24,18,500	74.36
(B) Public	1716	8,33,900	25.64
Total	1718	32,52,400	100.00

Dematerialization of shares & liquidity as on 31st March, 2020.

	Number of shares	% of Total Issued Cap.
Shares held in dematerialized form in CDSL	246948	7.59
Shares held in dematerialized form in NSDL	2891825	88.91
Shares held in Physical	113627	3.49
Total	3252400	100%

7. COMMUNICATION ADDRESS

Location Address

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

Address for Correspondence:

In line with the requirement of the Listing Regulation, 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 (Other)

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

Registrars and Transfer Agent

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

8. 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 2019-20

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, 2020, 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

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 2019-20.

Date: 26.08.2020
Place: Jalandhar

SIMARJIT SINGH BAWA
Managing Director

CEO/CEO CERTIFICATION

To,

The Board of Directors,
Sarup Industries Limited

We hereby certify that for the financial year 2019-20.

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: 26.08.2020

SAJAN
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, 2020 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.

For VSAP & Associates
Chartered Accountants

Amit Chadha (Partner)
M. No. 507087
FRN: 018705N

Place: Jalandhar
Date: 26.08.2020

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
SARUP INDUSTRIES LTD.**

I. Report on the Audit of the Standalone Financial Statements

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of SARUP INDUSTRIES LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone

Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

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

5. Management's Responsibility for the Standalone Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

- control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
- i) planning the scope of our audit work and in evaluating the results of our work; and
 - ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
- D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for
VSAP & Associates
Chartered Accountants

Amit Chadha (Partner)
M. No. 507087
FRN: 018705N
UDIN 20507087AAAAEN7048

Place : JALANDHAR
Date : 30/06/2020

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, 2020.

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

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

bank, Government or dues to debenture holders.

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

for
VSAP & Associates
Chartered Accountants

Amit Chadha (Partner)
M. No. 507087
FRN: 018705N
UDIN 20507087AAAAEN7048

Place : JALANDHAR
Date : 30/06/2020

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SARUP INDUSTRIES LTD.** ("The Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for
VSAP & Associates
Chartered Accountants

Amit Chadha (Partner)
M. No. 507087
FRN: 018705N

Place : JALANDHAR
Date : 30/06/2020

Sarup Industries Limited
Balance Sheet as at March 31, 2020

(Amount in Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	10,73,63,091	11,86,36,162
(b) Capital work-in-progress	3	15,99,81,962	15,71,44,727
(c) Intangible Assets	4		
(d) Investment in an associate and a joint venture	5		
(e) Financial Assets			
(i) Investments	6	28,94,914	40,00,179
(ii) Loans	6		
(iii) Other non-current financial assets	6		
(f) Prepayments	7		
(g) Income tax assets (net)	8	1,09,51,346	1,09,27,769
(h) Other non-current assets	6	21,37,967	21,37,967
(2) Current assets			
(a) Inventories	10	29,33,03,436	30,95,03,279
(b) Financial Assets			
(i) Investments	6		
(ii) Trade Receivables	11	9,44,95,600	9,09,73,492
(iii) Cash and cash equivalents	12	63,27,285	68,67,524
(iv) Loans	9	4,36,54,176	5,11,61,464
(v) Other current financial assets	6		
(c) Prepayments	7		
(d) Other current assets	9		
(e) Non-current assets held for sale	13		
Total Assets		72,11,09,776	75,13,52,561
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	14	3,25,24,000	3,25,24,000
(b) Other Equity	15	1,21,627	6,60,36,082
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	23,91,59,930	24,25,63,548
(b) Long-term provisions	17	3,72,59,849	3,75,04,551
(c) Deferred tax liabilities (Net)	18		
(2) Current liabilities			
(a) Financial Liabilities			
(i) Secured Liabilities	16	14,25,30,190	14,98,15,894
(ii) Trade Payables	19	13,83,30,693	11,20,90,188
(iii) Other current financial liabilities	20	2,06,65,187	1,81,40,156
(b) Other current liabilities	21	11,05,18,301	9,26,78,143
(c) Short-term provisions	17		
Total Equity and Liabilities		72,11,09,776	75,13,52,561

The accompanying notes 1 to 42 are an integral part of the financial statements.

As per our report of even date

For VSAP & Associates
ICAI Firm Registration No: 018705N
Chartered Accountants

For and on behalf of the Board of Directors of
Sarup Industries Limited

(AMIT CHADHA)
Partner
Membership No. 507087

Atamjit Singh Bawa
Director
(DIN - 807400)

Simarjit Singh Bawa
Managing Director
(DIN -00851651)

Ashwani Arora
Director
(DIN-01809365)

CA Sajan
Chief Financial Officer

Place: Jalandhar
Date: 30.06.2020

Megha Gandhi
Company Secretary

Sarup Industries Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Amount in INR , unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I INCOME			
(a) Revenue From Operations	22	21,10,11,400	20,12,13,000
(b) Other Income	23	14,95,503	41,71,996
Total Income (I)		21,25,06,903	20,53,84,996
II EXPENSES			
(a) Cost of raw material and component Consumed	24	12,05,48,140	11,60,22,014
(b) Purchases of traded goods	25		
(c) Changes in inventories of finished goods, work in progress and	25	65,80,417	1,42,56,777
(d) Employee Benefits Expense	26	7,06,29,609	8,87,72,356
(e) Finance Costs	28	2,83,94,407	2,60,72,668
(f) Depreciation and amortization expense	27	1,26,12,284	1,61,45,732
(g) Other Expenses	29	2,96,58,759	4,07,51,475
Total expenses (II)		26,84,23,615	30,20,21,022
III Profit before tax (I-II)		(5,59,16,712)	(9,66,36,026)
IV Tax expense:			
(1) Current Tax			
-For the current period	18		
-Adjustments for tax relating to earlier years	18		
(2) Deferred Tax	18	(3,88,092)	(51,33,143)
V Profit for the period (III-IV)		(5,55,28,620)	(9,15,02,883)
VI Other Comprehensive Income / (loss)	30	-	-
VII Total Comprehensive Income for the year (V-VI)		(5,55,28,620)	(9,15,02,883)
(Comprising Profit (Loss) and Other Comprehensive Income			
VIII Earnings per equity share[face value of share Re10 (March 31,			
Basic & diluted EPS (In INR)	31	-17.07	-28.13

The accompanying notes 1 to 42 are an integral part of the financial statements.

As per our report of even date

For VSAP & Associates

ICAI Firm Registration No: 018705N

Chartered Accountants

For and on behalf of the Board of Directors of
Sarup Industries Limited

(AMIT CHADHA)
Partner
Membership No. 507087

Atamjit Singh Bawa
Director
(DIN - 807400)

Simarjit Singh Bawa
Managing Director
(DIN -00851651)

Ashwani Arora
Director
(DIN-01809365)

CA Sajan
Chief Financial Officer

Megha Gandhi
Company Secretary

Place: Jalandhar
Date: 30.06.2020

SARUP INDUSTRIES LIMITED
41ST ANNUAL REPORT 2019-20

Sarup Industries Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
Profit Before Tax	(5,55,28,620)	(9,15,02,883)
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,26,12,284	1,61,45,732
Loss on Sale of Property, plant and equipment and Intangible assets (net)	-	-
Property, plant and equipment Scrapped/Written Off	-	-
Interest Income	-	-
Interest expense (including unwinding of discount on warranty and lease obligation)	2,67,52,657	2,44,42,159
Provision on loans & advances created /(written back)	-	-
Provision for doubtful debts created/(written back)	-	-
Fair value (gain)/loss on Investment (net)	-	-
Gain on sale of investments (net)	-	-
Unrealised foreign exchange (gain)/loss (net)	-	-
Mark to Market (gain)/loss on Forward Contracts	-	-
Operating Profit before Working Capital Changes	(1,61,63,679)	(5,09,14,992)
Movement in working capital:		
Increase/(decrease) in Provisions	(2,44,702)	(22,07,078)
Increase/(decrease) in Trade payables	2,62,40,505	3,12,14,238.12
Increase/(decrease) in Other financial liabilities	25,25,031	57,59,270
Increase/(decrease) in Other liabilities	74,54,319	4,76,90,055
Increase /(decrease) in Borrowings	(34,03,618)	1,56,70,494
Decrease/(increase) in Loans	75,07,288	(2,55,71,118)
Decrease/(increase) in Other assets	(23,576)	44,28,314
Decrease/(increase) in Investments	11,05,265	30,78,885
Decrease/(increase) in Secured Liabilities	(72,85,704)	(4,861)
Decrease/(increase) in Inventories	1,61,99,843	23,86,045
Decrease/(increase) in Trade receivables	(35,22,108)	1,98,12,395
Cash generated from operations	4,65,52,543	10,22,56,640
Direct Taxes Paid (net of refunds)	-	-
Net Cash Flow from Operating Activities (A)	4,65,52,543	10,22,56,640
Cash Flow from Investing Activities		
Interest Received	-	-
Purchase of property, plant and equipment, intangible assets and CWIP including capital advance	(41,76,447)	(2,70,95,823)
Proceeds from sale of property, plant and equipment including Intangible assets	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
Net Cash used in Investing Activities (B)	(41,76,447)	(2,70,95,823)
Cash Flow from Financing Activities		
Proceeds from Long term borrowing	-	-
Net increase /(Decrease) in working capital	-	-
Dividend Paid (Including Corporate Dividend Tax)	-	-
Interest Paid	(2,67,52,657)	(2,44,42,159)
Net Cash used in Financing Activities (C)	(2,67,52,657)	(2,44,42,159)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(5,40,240)	(1,96,334)
Cash and cash equivalents at the beginning of the year	68,67,524	70,63,858
Cash and cash equivalents at the end of the year	63,27,285	68,67,524
Components of cash and cash equivalent		
Cash on hand	79,023	2,09,493
Cheques/draft on hand	-	-
With banks -on current account	30,02,413	55,45,593
- on deposit account	32,45,849	11,12,438
Total cash and cash equivalent (refer note 12)	63,27,285	68,67,524

The accompanying notes 1 to 42 are an integral part of the financial statements.
For VSAP & Associates
ICAI Firm Registration No: 018705N
Chartered Accountants

(AMIT CHADHA)
Partner
Membership No. 507087

Place: Jalandhar
Date: 30.06.2020

For and on behalf of the Board of Directors of
Sarup Industries Limited

Atamjit Singh Bawa
Director
(DIN - 807400)

Simarjit Singh Bawa
Managing Director
(DIN -00851651)

Ashwani Arora
Director
(DIN-01809365)

CA Sajjan
Chief Financial Officer

Megha Gandhi
Company Secretary

Notes forming part of the Financial Statements

Note	Particulars
1 Corporate information	The financial statements comprises financial statement of SARUP INDUSTRIES LIMITED for the year ended 'March 31, 2020. The company is a public limited company domiciled in India and was incorporated under the 'provisions of companies Act, 1956 in 1979. The shares of the company have been listed on the Bombay stock 'exchange. The registered office of the Company is located at 141 Leather complex Jalandhar(Punjab).
2 Significant accounting policies	
2.1 Basis of accounting and preparation of financial statements	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 . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2 Use of estimates	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.
2.3 Inventories	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.
2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)	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.
2.5 Cash flow statement	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.
2.6 Depreciation and amortisation	For the year 2019-20 'Depreciation on each asset has been provided on WDV Method as per useful lives prescribed in Schedule II to the Companies Act, 2013 .
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 GST .</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	Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
2.9 Tangible fixed assets	<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><u>Capital work-in-progress:</u></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>

Note	Particulars
2.10	Intangible assets
	Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Refer Note 2.21 for accounting for Research and Development Expenses.
2.11	Foreign currency transactions and translations
	<u>Initial recognition</u> 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. <u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss. <u>Treatment of exchange differences</u> Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon. <u>Accounting of forward contracts</u> Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 2.26 and 2.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.
2.12	Government grants, subsidies and export incentives
	Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.
2.13	Investments
	Long-term investments (excluding investment properties), are carried individually at cost, Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
2.14	Employee benefits
	Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits. <u>Defined contribution plans</u> 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. <u>Defined benefit plans</u> 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

Note	Particulars
	<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> <p>2.15 Employee share based payments</p> <p>The Company formulated no Employee Stock Option Schemes (ESOS) .</p> <p>2.16 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> <p>2.17 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. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. 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 Leases	Company has not given any of its property on lease.
2.19 Earnings per share	<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</p>
2.20 Taxes on income	<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 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>
2.21 Research and development expenses	<p>Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.</p>

Note	Particulars
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. At present the company has not entered in any joint venture agreement.
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	<p>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.</p> <p>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.</p>
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
2.27 Derivative contracts	<p>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.</p> <p>Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.</p> <p>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.</p>
2.28 Share issues expenses	Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.
2.29 Insurance claims	Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
2.30 Service tax input credit	
2.30 GST/Service Tax /Excise/	Service tax input credit/ Excise / GST is accounted for in the books in the period in which the underlying service/ goods received is accounted and when there is no uncertainty in availing / utilising the credits.

Statement of changes in equity for the year ended March 31, 2020
(Amount in INR , unless otherwise stated)

Particulars	Equity Share capital (1)	Attributable to the equity shareholders					Total equity (1+2)
		Retained Earnings	Security Premium	General reserve	Capital Reserve	Total other equity (2)	
As at April 01, 2019	3,25,24,000	(12,17,58,341)	2,73,45,000	14,70,27,787	30,35,800	5,56,50,246	8,81,74,246
Profit for the year	-	(5,55,28,620)	-	-	-	(5,55,28,620)	(5,55,28,620)
Dividend paid for the year	-	-	-	-	-	-	-
Tax on interim equity dividend	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-
Other Comprehensive income / (loss)	-	-	-	-	-	-	-
Re-measurement of defined benefit obligation, net of tax	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-
As at March 31, 2020	3,25,24,000	(17,72,86,960)	2,73,45,000	14,70,27,787	30,35,800	1,21,627	3,26,45,627

The accompanying notes 1 to 42 are an integral part of the financial statements.

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

Particulars	Leaschold Land*	Free hold Land	Building - Factory*	Building - Others*	Plant & machinery	Furniture and fittings	Others	Office equipments	Lease Hold Improvements	Vehicles	Total	Capital work in progress
Cost												
As at March 31, 2019	1,12,86,922	2,29,35,310	3,78,82,835	2,41,64,914	24,38,57,592	1,48,74,795	3,02,92,618	67,44,616	9,97,661	39,93,005	39,70,30,268	15,71,44,727
Additions	-	-	-	-	6,04,57,6	-	-	-	-	8,47,257	14,51,833	28,37,235
Disposals/ written off	-	-	-	-	-	-	-	-	-	17,06,706	17,06,706	-
Transferred from CWIP	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	1,12,86,922	2,29,35,310	3,78,82,835	2,41,64,914	24,44,62,168	1,48,74,795	3,02,92,618	67,44,616	9,97,661	31,33,556	39,67,75,395	15,99,81,962
Depreciation												
As at March 31, 2019	-	-	2,56,82,019	1,13,18,751	18,86,34,213	1,35,99,181	2,89,30,319	56,17,332	9,10,148	37,02,140	27,83,94,102	-
Charge for the year	-	-	11,15,421	6,25,608	93,72,443	89,642	12,03,134	21,011	28,798	1,56,227	1,26,12,284	-
Disposals/ written off	-	-	-	-	-	-	-	-	-	15,94,084	15,94,084	-
As at March 31, 2020	-	-	2,67,97,440	1,19,44,359	19,80,06,656	1,36,88,823	3,01,33,453	56,38,343	9,38,946	22,64,283	28,94,12,302	-
Net block												
As at March 31, 2020	1,12,86,922	2,29,35,310	1,10,85,395	1,22,20,555	4,64,55,512	11,85,972	1,59,165	11,06,273	58,715	8,69,273	10,73,63,091	15,99,81,962
As at March 31, 2019	1,12,86,922	2,29,35,310	1,22,00,816	1,28,46,163	5,52,23,379	12,75,614	13,62,299	11,27,284	87,513	2,90,865	11,86,36,165	15,71,44,727

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

Capitalized borrowing costs

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

Asset under construction

Capital work in progress as at 31 March, 2020 comprises expenditure incurred on plant & machinery and buildings in the course of construction.

4. Intangible Assets	As at March 31, 2020	As at March 31, 2019
Value of Intangible Assets installed	-	-
	-	-

5. Investment in an Associate and a Joint Venture	As at March 31, 2020	As at March 31, 2019
Investment in an Associate and a Joint Venture	-	-
	-	-

6. Financial Assets

B. Investments (at fair value through profit & loss)

Quoted Shares (long-term investments)

Particulars	Non-Current	
	As at March 31, 2020	As at March 31, 2019
DSQ Ltd	321893	321893
Pentamedia Ltd	496820	496820
Polars Financial Ltd	-	1105265
DSQ Software	1221867	1221867
Total (A)	20,40,580	31,45,845

Unquoted Shres

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Moderen Syenthetics Ltd	18,000	18,000
Punjab Iron & Steel Co. Ltd	15,058	15,058
Software Solutions India Ltd	6,33,276	6,33,276
Star Precision Ltd	15,000	15,000
Star Thapar Milk Products Ltd	3,000	3,000
Umred Agro Ltd	1,70,000	1,70,000
Total (B)	8,54,334	8,54,334

Quoted mutual funds (short-term investments)

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Total (C)	-	-
Total investments (A+B+C)	28,94,914	40,00,179

9 Other Non Current Assets

Loans

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Carried at amortized cost		
Loans, advances and imprest to employees*		
Unsecured considered good	-	-
Doubtful	-	-
Provision for doubtful loans, advances and imprest to employees	-	-
Advances Recoverable		
Unsecured, considered good, to other parties	21,37,967	21,37,967
Doubtful, to other parties	21,37,967	21,37,967
Provision for doubtful security deposit	-	-
	21,37,967	21,37,967
Total	21,37,967	21,37,967

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
*Loans, advances and imprest to employees include		
Dues from officers	-	-

Others financial assets

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Carried at fair value		
Derivative assets		
Total (A)	-	-
Carried at amortized cost		
Total (B)	-	-
Total other financial assets (A+B)	-	-

****Margin Money deposits given as security**

Break up of Total Financial assets

Particulars	Note Refer ence	Non-current	
		As at March 31, 2020	As at March 31, 2019
Investments	6	28,94,914	40,00,179
Loans	6	21,37,967	21,37,967
Others financial assets	6	-	-
Trade Receivables	11	-	-
Cash and cash equivalents	12	-	-
Total		50,32,881	61,38,146

7. Prepayments

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	-	-	-	-
Total	-	-	-	-

8. Income tax assets (net)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance Income tax /Income Tax Refund Receivable	43,78,740	47,43,256	-	-
Deffered Tax	65,72,605	61,84,513	-	-
Total	1,09,51,346	1,09,27,769	-	-

9. Other assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances				
Total (A)	-	-	-	-
Advances other than capital advances				
Advances to suppliers /Others				
Unsecured considered good	-	-	1,60,23,771	1,65,23,573
Doubtful	-	-		
Provision for doubtful advances	-	-		
Total (B)	-	-	1,60,23,771	1,65,23,573
Balance with statutory / government Authorities	-		2,75,22,105	3,44,30,866
Total (C)	-	-	2,75,22,105	3,44,30,866
Prepaid Expenses (D)	-	-	1,08,300	2,07,025
Total other assets (A+B+C+D)	-	-	4,36,54,176	5,11,61,464

10. Inventories (lower of cost or NRV)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials & components(at cost)	5,65,75,119	6,61,94,546
Work in Process	3,56,19,212	4,36,10,449
Finished Goods	20,11,09,105	19,96,98,284
Total (A)	29,33,03,436	30,95,03,280
In Transit :		
Raw materials & components	-	-
Stores, Spares etc.	-	-
Finished Goods	-	-
Total (B)	-	-
Total (A+B)	29,33,03,436	30,95,03,280

11 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured, considered good*		
Related parties	-	-
Others	-	-
Unsecured, considered good		
Related parties	-	-
Others	9,44,95,600	9,09,73,492
Doubtful		
Others	-	-
Less: Allowances for expected credit loss	-	-
Total	9,44,95,600	9,09,73,492

* Secured against letter of credit/ bank guarantee.

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

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

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	7,01,28,101	6,72,93,756
Doubtful	-	-
	7,01,28,101	6,72,93,756
Allowances for expected credit loss	-	-
Total (A)	7,01,28,101	6,72,93,756
Other receivables		
Secured, considered good	-	-
Unsecured, considered good	2,43,67,499	2,36,79,736
Doubtful	-	-
	2,43,67,499	2,36,79,736
Allowances for expected credit loss	-	-
Total (B)	2,43,67,499	2,36,79,736
Total Trade receivables (A+B)	9,44,95,600	9,09,73,492

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

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

12 Cash and Cash Equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with Banks		
-In current accounts	30,02,413	55,45,593
-Deposits with original maturity of less than three months	32,45,849	11,12,438
Cheques / drafts on hand	-	-
Cash on hand	79,023	2,09,493
Total	63,27,285	68,67,524

Deposits in banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods upto three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
- On current accounts	30,02,413	55,45,593
- Deposits with original maturity of less than three months	32,45,849	11,12,438
Cheques/ drafts on hand	-	-
Cash on hand	79,023	2,09,493
Total	63,27,285	68,67,524

13 Non-current assets held for sale

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in associates (refer note no 48)	-	-
Total	-	-

14. Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised : 40,00,000 equity shares (March 31, 2020: 40,00,000) of Rs.10/- each (March 31, 2019: Rs. 10/- each)	4,00,00,000	4,00,00,000
Issued, Subscribed and Paid-up 3,252,400 (March 31, 2020: 32,52,400,) Equity Shares of Rs.10/- Each Fully paid (March 31, 2019: Rs. 10/- each)	3,25,24,000	3,25,24,000
Total	3,25,24,000	3,25,24,000

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

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Addition due to split of shares in ratio 1:10	-	-	-	-
Issued during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having par value of Re. 10 per share (March 31, 2020: Rs. 10/- each) (refer note g. below) . Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian rupees and pays it in Indian rupees.

During the year ended March 31, 2020, the amount of per share dividend recognized as distribution to equity shareholders was INR Nil (March 31, 2019 INR NIL/- (refer note g. below));

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

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity shares of Rs. 1 each fully paid (March 31, 2020: Rs. 10/- each, April 1, 2019: Rs. 10/- each)				
1. Sh. Atamjit Bawa	22,57,094	69.40%	-	-
1. Smt. Manjit Bawa	-	-	22,57,094	69.40%
2. S. Simarjit Bawa	1,61,406	4.96%	1,61,406	4.96%

d. As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

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

15. Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Surplus in the statement of profit and loss		
Balance as per last financial statements	(12,17,58,341)	(1,98,69,623)
Add: Net profit for the year	(5,59,16,712)	(9,66,36,026)
Less: Other Comprehensive loss for the year	-	-
Less: Appropriations	3,88,092	51,33,143
-Interim equity dividend	-	-
-Tax on interim equity dividend	-	-
-Transferred to general reserve	-	-
Net surplus in the statement of profit and loss (A)	(17,72,86,960)	(11,13,72,502)
Security premium		
Balance as per last financial statements	2,73,45,000	2,73,45,000
Add: additions during the year	-	-
Closing Balance (B)	2,73,45,000	2,73,45,000
Other Reserves		
General reserve		
Balance as per last financial statements	14,70,27,787	14,70,27,787
Add: Transferred from retained earnings	-	-
Closing Balance (C-I)	14,70,27,787	14,70,27,787
Capital reserve		
Balance as per last financial statements	30,35,800	30,35,800
Add: additions during the year	-	-
Closing Balance (C-II)	30,35,800	30,35,800
Closing Balance (C) = (C-I) + (C-II)	15,00,63,587	15,00,63,587
Total reserves and surplus (A+B+C)	1,21,627	6,60,36,085

16. Borrowings

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Secured				
SBI Buyers Credit (Secured against hyp of stock and mach.	-	-	-	-
SBI CC 5250(Secured against Hyp. Of Stock)	-	-	-	3,85,029.59
SBI -CC 8045 (Secured against Hyp. Of Stock	-	-	14,25,30,189.80	14,43,85,559.30
Term Loans (Secured against Vehicle)	7,89,232.00	-	-	-
Term Loans (Secured agaist Bulding And Machinery)	1,02,97,018.95	1,76,57,356.95	-	-
SBI Standby Limit (Secured Against Hup. Of Stock)	-	-	-	50,45,305.05
Unsecured				
Other Loans	-	-	-	-
Loans from Directors and relatives	83143079.00	81475591	-	-
Others	14,49,30,600	14,34,30,600	-	-
Total Borrowings	23,91,59,930	24,25,63,548	14,25,30,190	14,98,15,894

17. Provisions

Particulars	Long-term		Short-term	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Provision for Dividend	-	-	-	-
Provision for Gratuity (refer note 33)	-	-	3,72,59,849	3,75,16,183
Tax on Proposed Dividend	-	-	-	(11,632)
Other Provisions				
Provision for Tax	-	-	-	-
Total	-	-	3,72,59,849	3,75,04,551

18. Income Tax

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particulars	As at March 31, 2020	As at March 31, 2019
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,88,092)	(51,33,143)
Income tax expense reported in the statement of profit or loss	(3,88,092)	(51,33,143)

OCI section

Deferred tax related to items recognized in OCI during the year:

Particulars	As at March 31, 2020	As at March 31, 2019
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before income tax		
Tax at the applicable tax rate of 22.88% (31.3.2019: 25.75%)	-	-
Adjustments in respect of current income tax of previous years	-	-
<u>Tax effect of income that are not taxable</u>		
Capital gain on sale of investments	-	-
Interest on tax free bonds exempted under section 10(15)	-	-
Dividend income exempted under section 10	-	-
<u>Tax effect of income that are taxable at special tax rate</u>		
Deduction for rental income	-	-
Indexation effect on capital gain of investments	-	-
Capital gain on redemption of mutual fund units	-	-
<u>Tax effect of expenses/(incomes) that are not deductible in determining taxable profit:</u>		
Sale Of research & development assets u/s 41	-	-
Expenses disallowed u/s 14A	-	-
Interest on MSMED	-	-
Donations	-	-
CSR expenses	-	-
Warranty provisions	-	-
Others	-	-
<u>Tax effect of expenses that are deductible in determining taxable profit:</u>		
Weighted deduction u/s 35 (2AB)	-	-
Expenses u/s 80GGB	-	-
Expenses u/s 80JJAA	-	-
Expenses u/s 32AC	-	-
At the effective income tax rate of 22.88% (March 31, 2019: 25.75%)	-	-
Income tax expense reported in the statement of profit or loss	(3,88,092)	(51,33,143)
Income tax reported in OCI	-	-
Tax expense	(3,88,092)	(51,33,144)

Deferred tax:

Particulars	As at April 01, 2019	Provided during the year	As at March 31, 2020
Deferred tax liability:			
Related to Property, plant and equipment	-	-	-
Fair Value of Investments	-	-	-
Prepaid Rent	-	-	-
Provision for warranty	-	-	-
Derivative gains	-	-	-
Total deferred tax liability (a)	-	-	-
Deferred tax assets:	61,84,513	3,88,092	65,72,605
Provision on trade receivables, capital advances, other loans & advances	-	-	-
Property, Plant and Equipments	-	-	-
Finance lease obligations	-	-	-
Provision for gratuity	-	-	-
Provision for leave encashment	-	-	-
Unpaid bonus	-	-	-
Total deferred tax assets (b)	61,84,513	3,88,092	65,72,605
Deferred Tax Liability (Net) (a - b)	61,84,513	3,88,092	65,72,605

19. Financial liabilities - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payable		
- Micro, Small and Medium Enterprises (refer note 38)	2,18,318	26,21,334
- Related parties	8,10,82,835	5,62,45,238
- Others	5,70,29,540	5,32,23,615
TOTAL	13,83,30,693	11,20,90,188

Terms and conditions of the above financial liabilities:

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

20. Other Financial Liabilities

Particulars	Non Current			Current	
	As at March 31, 2020	As at March 31, 2019		As at March 31, 2020	As at March 31, 2019
Other financial liabilities (at amortized cost)					
Security Deposits	-	-	-	2,06,65,187	1,81,40,156
Payable on purchase of fixed assets	-	-	-	-	-
Total other financial liabilities	-	-	-	2,06,65,187	1,81,40,156

/ Break up of financial liabilities carried at amortized cost

Particulars	Note Reference	Non Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Payables	19	-	-	13,83,30,693	11,20,90,188
Other financial liabilities	20	-	-	2,06,65,187	1,81,40,156
Borrowings	16	23,91,59,930	24,25,63,548	14,25,30,190	14,98,15,894
Total financial liabilities carried at amortized cost		23,91,59,930	24,25,63,548	30,15,26,070	28,00,46,237

21. Other Liabilities

Particulars	Non Current			Current	
	As at March 31, 2020	As at March 31, 2019		As at March 31, 2020	As at March 31, 2019
Advance Received	-	-		7,73,62,119	7,42,02,838
Statutory liabilities (TDS Payable)	-	-		2,09,424	1,23,511
Unpaid Dividend	-	-		10,18,700	10,18,700
Cheques Issued But Not Presented	-	-		10,73,671	8,46,343
Due To Director	-	-		1,66,52,295	52,83,295
Expenses Payable	-	-		1,42,02,092	1,12,03,456
Total	-	-		11,05,18,301	9,26,78,143

22. Revenue From Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products (including excise duty and GST)		
Local	21,10,11,400	19,72,16,884
Export	-	39,96,117
	21,10,11,400	20,12,13,001
Rendering of services	-	-
Other operating revenue		
-Scrap sales	-	-
-Export benefits	-	-
Total	21,10,11,400	20,12,13,001

23 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of Fixed Assets	3,54,606	-
Duty Draw Back	-	1,45,511
Short /Excess Recovery	-	-
Derivative gain on forward contracts	-	-
Foreign exchange gain (net)	-	3,61,068
Miscellaneous income	8,29,876	2,64,834
GST Bugetary Support	-	30,80,756
Excise Duty Refund	-	2,66,805
Interest income on:	-	-
-Long-term investments	-	-
-Bank deposits	3,11,022	53,023
-Security deposits paid **	-	-
-Others	-	-
Total	14,95,503	41,71,998

24. Cost of Materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials consumed		
Inventory at the beginning of the year	6,61,94,546	5,43,23,816
Add: Purchases of Raw Material(including taxes)	11,09,28,713	12,78,92,743
	17,71,23,259	18,22,16,559
Less : Inventory at the end of the year	5,65,75,119	6,61,94,546
Total	12,05,48,140	11,60,22,013

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

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Closing stock				
- Finished goods	20,11,09,105		19,96,98,284	
- Work in progress	3,56,19,212		4,36,10,449	
	23,67,28,317		24,33,08,734	
Less :				
Opening stock				
- Finished goods	19,96,98,284		21,67,24,130	
- Work in progress	4,36,10,449		4,08,41,378	
	24,33,08,734		25,75,65,508	
(Increase) / decrease				
- Finished goods	(14,10,820)			1,70,25,846
- Work in progress	79,91,237			(27,69,071)
	65,80,416			1,42,56,775

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26. Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	5,17,75,043	7,87,31,371
Contribution to provident and other funds	1,83,39,494	92,78,089
Gratuity expenses (refer note 33)	-	-
Canteen Subsidy	16,046	1,25,766
Staff welfare expenses	4,99,026	6,37,130
Total	7,06,29,609	8,87,72,356

27. Depreciation and amortization expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets (refer note 3)	1,26,12,284	1,61,45,732
Amortization of intangible assets (refer note 4)	-	-
Total	1,26,12,284	1,61,45,732

28. Finance Costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on:		
-Banks*	1,97,11,809	1,58,27,748
- Others	70,40,848	86,14,411
-Bank Charges	16,41,749	16,30,508
-Unwinding of discount on warranty	-	-
Total	2,83,94,407	2,60,72,666

29. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of Stores and Spares	62,429	69,535
Exchange Rate Diffrence	-	-
Power and energy	58,83,649	75,39,042
Advertisement and publicity expenses	1,81,061	1,51,374
Auditors' remuneration (refer detail below)*	1,00,000	1,00,000
Business promotion expenses	34,439	84,664
Professional and legal charges	5,90,586	10,57,851
Software expense	-	-
Directors' remuneration	4,23,474	4,96,400
Directors sitting fee	-	-
Postage, telephone and telegram expenses	3,42,368	4,57,991
Printing and stationery expenses	1,51,996	1,75,866
Rent	2,29,600	14,38,075
Fees and taxes	5,76,541	11,45,445
Excise duty/ GST	-	24,77,180
Repairs and maintenance	-	-
-Plant and machinery	3,34,872	9,78,624
-Building	3,259	21,723
-Others	10,48,622	9,94,755
Subscription and membership fees	-	-
Selling expenses	68,454	92,573
Commission and brokerage	-	-
Freight outward	37,20,095	44,68,829
Tours and travelling expenses	6,01,009	8,76,156
Vehicle running expenses	5,62,638	8,85,049
Books And Periodicals	-	-
Insurance Expenses	6,24,748	11,28,333
Packing and forwarding expenses	71,00,290	80,82,262
Misc Manufacturing Expenses	15,56,960	21,19,864
Fines and Penalties	148	1,556
Rebate and Discount	44,11,774	45,60,834
Prior Period Adjustment	4,89,032	9,55,774
Fixed assets scrapped / written off	-	-
Loss on Sale of Shares	3,85,265	-
Preliminary Expenses W/off	-	23,747
Donation and charity**	1,150	-
Security Service Charges	54,161	3,16,622
Miscellaneous expenses	1,06,084	44792.18
AGM Expenses	14,058	6,560
Total	2,96,58,764	4,07,51,473

***Payment to Auditors**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor		
Audit fee	90,000	90,000
Other matters-certification	10,000	10,000
Other services		
-Reimbursement of expenses	-	-
Total	1,00,000	1,00,000

30. Other Comprehensive Income/(Loss)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Changes In Revaluation Surplus	-	-
Re-measurement of Defined Benefit Plan	-	-
Gains and losses arising from translating the financial statements of a foreign operation	-	-
Gains and losses from investments in equity instruments designated at fair value (or other financial assets measured at FV)	-	-
Reclassification adjustments	-	-
Total	-	-

31. Earning Per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit/(Loss) for the year	-55528619.96	-91502882.67
Weighted Avg. No. of Shares	32,52,400	32,52,400
Par Value Per Share	10	10
Earning Per Share	(17.07)	(28.13)

32. Significant accounting judgements, estimates and assumptions

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

JUDGEMENTS

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

Useful lives of Property, plant and equipment and Intangible assets

The Company reviews the useful life at the end of each reporting period. This re-assessment may result in change in depreciation/ amortisation expenses in future period.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal cases, demands from income tax authorities, non-submission of C-forms and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ESTIMATES AND ASSUMPTIONS

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

Defined benefit plans (gratuity benefits)

The present value of the gratuity obligations and leave encashments are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and retirement age. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 33.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 44 and 45 for further disclosures.

Income Taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

33. Gratuity

Defined Benefit Plans

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

Contribution to Gratuity Funds - Employee's Gratuity Fund

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

Net employee benefit expense recognized in the employee cost

Particulars	Gratuity	
	2019-20	2018-19
Service cost - current	2,56,334	22,07,078
Past service cost	(2,56,334)	26,71,790
Interest cost	-	37,517
Expected return on plan assets		
Total expenses recognised in the statement of profit and loss	-	-

Amount recognised in Other Comprehensive Income

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (gain)/ loss on obligations	-	4,27,195

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

Gratuity:

Particulars	2019-20	2018-19
Opening defined obligation	3,75,16,183	
Past service cost	(2,56,334)	
Current service cost		
Interest cost		
Benefits paid		
Actuarial (gain)/ loss on obligations		
Defined benefit obligation	3,72,59,849	-

The Company's best estimate of contribution during the next year is Rs. Nil (March 31, 2019: Rs.Nil)

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

Particulars	Gratuity		
	31-Mar-20	31-Mar-19	
Discount rate			
Future salary increases			
Retirement age	58 Years	58 Years	

34 Commitments and Contingencies

I Leases

Finance lease: Company as lessee

The Company has no finance leases.-NIL

Operating lease: Company as lessee

Future minimum rentals payable under non-cancellable operating lease is as follows:-

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	1,20,000	25,000
After one year but not more than five years	-	-
More than five years	-	-
Total	1,20,000	25,000

II Contingent Liabilities (to the extent not provided for)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts*		
Guarantee given		
Income- tax demands**		
Outstanding letter of credit		
Pending export obligation under EPCG scheme		
Total	-	-

(A) *There are no Claims against the Company .

(B) ** Income tax demands

No income tax demand is outstanding against company

III Commitments

Particulars	As at March 31, 2020	As at April 01, 2018
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	NIL	NIL

35. Related parties under IND AS-24 with whom transactions have taken place during the year

(A) Associates	-	-
(B) Key managerial Personnel (KMP) and their relative	Atamjit Singh Bawa Simarjit Singh Bawa Megha Gandhi	Key Managerial remuneration 9,30,627/-
(C) Companies/ Concerns controlled by KMP & their relatives	Bawa Skin Company	Sales 19,67,947/- Rent 1,67,500/-

36. Detail of expenditure on Research and Development activities during the year is as under: -

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue expenditure		
Salary & wages (including other employees benefits)	16,30,261	18,64,834
Raw material, store and spares consumed		
Other expenses	34,439	84,664
Total revenue expenditure	16,64,700	19,49,498
Capital expenditure (included in Property, plant and equipment)		
Buildings		
Capital equipments		
Total capital expenditure	-	-

37. Capitalization of expenditure

During the year, the company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of raw material and components consumed	-	-
Total	-	-

38. Detail of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises		
Interest due on above		
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	2,18,318	26,21,334
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

39. Expenditure on corporate social responsibility activities :

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been framed by the Company. The areas for CSR activities are promoting preventive health care, promoting education, setting up old age homes for senior citizens, ensuring environment sustainability and protection of flora and fauna, training to promote rural sports and rural development projects.

Gross amount required to be spent by the Company during the year is Rs.nil Lacs. (previous year Rs. nil)

40 Forward Contracts-NIL

41 Segment Information

Segment Reporting

The Company's whole time directors examines the Company's performance. They have determined "manufacturing of SHOES" and its components to be its single reportable business segment.

Geographical Segments

The company primarily operates in India and therefore the analysis of geographical segment is demarcated into its India and Overseas operations as follow:

Net Revenue

(Amount in INR)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In India		
Outside India		
Total		

The company has common fixed assets for manufacturing goods for domestic and overseas market. Hence separate figures for fixed assets /additions to fixed assets cannot be furnished.

- 42** In view of the lockdown across the country due to the COVID-19, the Company suspended the operations in all the units in compliance with the lockdown instructions as issued by the Central and State Governments. COVID-19 has impacted the normal business by way of interruption in store operations, supply chain disruption, unavailability of personnel, closure of production facilities etc. during the lockdown period. The Company has made detailed assessments of the recoverability and carrying value of its assets comprising property, plant and equipments, inventories, receivables and other current assets as at the balance sheet date and on the basis of evaluation, has concluded that no material adjustments are required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

Subsequent to the year end, Company's stores have resumed partial operations as per government guidelines and directives prescribed.

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

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

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

Notice is hereby given to all such shareholders to make an application to the Company/ Registrar by 28.10.2020 with a request for claiming the unpaid dividend for the year 2012-13 onwards so that the shares are not transferred to the IEPF. **It may please be noted that if no reply is received by the company or the Registrar by 28.10.2020 the company will be compelled to transfer the shares to the IEPF, without any further notice.**

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

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

For Sarup Industries Ltd

Megha Gandhi
Company Secretary

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