

SARUP INDUSTRIES LIMITED

35th ANNUAL REPORT AND ACCOUNTS 2013-2014

CIN: L19113PB1979PLC004014

Regd off: - P.O. Ramdaspora, 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.

MANAGING DIRECTOR

Mr. ATAMJIT SINGH BAWA

AUDIT COMMITTEE

COL. GURCHARAN SINGH Chairman

Mr. G.S. BEDI

Mr. ASHWANI KUMAR ARORA

REMUNERATION COMMITTEE

COL. GURCHARAN SINGH Chairman

COL. SURAT SINGH BAJWA

Mr. G.S. BEDI

INVESTOR'S GRIEVANCE COMMITTEE

COL. GURCHARAN SINGH Chairman

Mr. ATAMJIT SINGH BAWA

Mr. SIMERJIT SINGH BAWA

BANKERS

(1) STATE BANK OF INDIA

SCB, CIVIL LINES,

JALANDHAR-144001

(2) STATE BANK OF INDIA

MEHATPUR BRANCH, UNA. H.P

AUDITORS

M/S Y.K. SUD & CO.

AMBIKA TOWERS

JALANDHAR-144001

LEGAL ADVISOR

Mr. V.K. SAREEN

7-NEW RAJENDRA NAGAR

POLICE LINES ROAD, JALANDHAR

REGISTRAR & TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PVT LTD

D-153 A, 1ST FLOOR, OKHLA INDUSTRIAL

AREA PHASE - I

NEW DELHI- 110020

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COMPANY SECRETARY

CS AMIT KUMAR

REGISTERED OFFICE

P.O. RAMDASPURA

JALANDHAR-144003

PLANT LOCATIONS

(1) UNIT AT P.O.RAMDASPURA,
JALANDHAR

(2) PLOT NO.141, LEATHER
COMPLEX, KAPURTHALA ROAD,
JALANDHAR

(3) UNIT NO V, VILL SHYAMPUR
TAHLIWAL, UNA, (H.P.)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **35th (Thirty Fifth)** Annual General Meeting of the Members of Sarup Industries Limited will be held at registered office of the Company at P.O. Ramdaspora, Jalandhar-144003, Punjab on **Monday, the 29th day of September, 2014 at 10.30 a.m.** for the transaction of the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31st, 2014 and statement of Profit and Loss for the financial year ended on March 31st, 2014 and Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Smt. Manjit Bawa (DIN: 00851617) who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this Meeting, for 3 (Three) consecutive years till the conclusion of the 38th Annual General Meeting of the Company in the Calendar year 2017 and in this regard, to consider and, if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit & Auditors) Rules, 2014, M/s Y.K. Sud & Co. (Firm Registration No. 16875), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, for three consecutive years until the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2017, subject to ratification by the shareholders annually, at such remuneration as shall be fixed by the Board of Directors of the Company.”

Special Business

5. Appointment of Col. Gurcharan Singh as Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Col. Gurcharan Singh (DIN:02425153) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) year up to the conclusion of the 40th AGM of the Company.”

6. Appointment of Col. Surat Singh Bajwa as Independent Director

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Col. Surat Singh Bajwa (DIN:00377832) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) year up to the conclusion of the 40th AGM of the Company.”

7. Appointment of Sh. Gurendra Singh Bedi as Independent Director

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sh. Gurendra Singh Bedi (DIN:02442047) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) year up to the conclusion of the 40th AGM of the Company.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 27th Annual General Meeting held on 29th September, 2006 and pursuant to the provisions of Section 180(1) (a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to Board of Directors (hereinafter called the “Board”) which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s) to mortgage and/or charge any of its movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of the undertaking(s) and to create a mortgage and/or charge, on such terms and conditions at such time(s) and in such form and manner, and in such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s any one or more of the undertakings of the Company in favour of any bank(s) or body/bodies corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding ₹ 100 Crore (Rupees One hundred Crore) over and above the aggregate of the paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu /subservient with/to the mortgages and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**

RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 27th Annual General Meeting held on 29th September, 2006 and pursuant to the provisions of Section 180(1) (c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to Board of Directors to borrow moneys in excess of the aggregate of the paid up capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from the temporary loans obtained/to be obtained from the Company's Banker in the ordinary course of business, shall not be in excess of ₹ 100 Crore (Rupees One hundred Crore) over and above the aggregate of the paid up share capital and free reserves of the Company.”

10. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT P.O. RAMDASPURA, JALANDHAR-144003, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM I.E. BY 10.30 A.M. ON MONDAY 29TH SEPTEMBER, 2014**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.

4. In case of joint holders attending the meeting, only such joint holder who is in higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will be closed from 22nd September, 2014 to 29th September, 2014 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the Annual General Meeting is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.
6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration.
7. Those Members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 124 of the Companies Act, 2013 on the respective dates mentioned there against. Please note that as per Section 124 of the Companies Act, 2013, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date the dividend became due for payment and no payment shall be made in respect of such claims.

Dividend for the Financial Year ended	Due date for Transfer	Dividend for the Financial Year ended	Due date for Transfer
31.03.2007	26th October, 2014	31.03.2011	29th October, 2018
31.03.2008	29th October, 2015	31.03.2012	28th October, 2019
31.03.2009	29th October, 2016	31.03.2013	28th October, 2020
31.03.2010	29th October, 2017		

Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 2006-07 onwards before the respective amounts become due for transfer to the above fund.

8. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their De-Mat Accounts immediately. Members holding shares in physical form are requested to advise any changes of address immediately to Registered Office of the Company or to registrar M/s Skyline Financial Services Pvt. Limited.
9. As per the provisions of Section 72 of Companies Act, 2013 and Rules made there under provides for Nomination by the shareholders of the Company in the prescribed form(s).
10. Members are requested to send in their queries at least a week in advance to the Finance Head at the Registered Office of the Company to facilitate clarifications during the meeting.
11. Members are requested to bring their attendance slips to the AGM. Duplicate admission slips and/or copies of the Annual Report and Accounts will not be provided at the AGM venue.

E-Voting Instructions & Information

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr. Rahul Sharma, Chartered Accountant, as the Scrutinizer for this purpose.
2. The Notice of the 35th Annual General Meeting (AGM) of the Company inter-alia indicating the process and manner of e-voting is being sent to all the Members.
3. NSDL shall be sending the User ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants. For members who have not registered their email address, can use the details as provided in this document.
4. Open the internet browser and type the following URL: www.evoting.nsdl.com
5. Click on Shareholder-Login
6. Put User ID and Password as provided in this document and click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for the Login.
7. If you are logging in for the first time, the Password change menu will appear. Change the Password with new Password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. Once the e-voting home page opens, click on e-voting: Active Voting Cycles.
9. Select "EVEN (Electronic Voting Event Number)" of SARUP INDUSTRIES LIMITED.
10. Once you enter the Cast Vote page will open. Now you are ready for e-voting.
11. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
12. Upon confirmation, the message "Vote cast successfully" will be displayed.
13. Once you have voted on the resolution, you will not be allowed to modify your vote.

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

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

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

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

C. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com You may also address your queries relating to e-voting to the e-mail ID shareholders@bawastl.com

D. The period for e-voting starts at IST 9.00 a.m. on Thursday, 18th September, 2014 and ends at IST 6.00 p.m. on Saturday, 20th September, 2014.

E-voting shall be disabled by NSDL at IST 6.00 p.m. on 20th September, 2014.

E. General Information

- (a) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Thursday, 14th August, 2014 (Record Date for E-Voting).
- (c) E-voting right cannot be exercised by a proxy.
- (d) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory (ies) duly attested, to the Scrutinizer through e-mail at rahul.sharma323@gmail.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in.
- (e) **The Results of the e-voting will be declared on or after the date of the AGM i.e. Monday, 29th September, 2014.** The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's corporate website **www.lotusbawa.in** 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

Annexed to the Notice convening the 35th (Thirty Fifth) Annual General Meeting to be held on Monday, 29th September, 2014.

Item No. 5, 6 & 7

The company had appointed each of Col. Gurcharan Singh, Col. Surat Singh Bajwa and Sh. G.S. Bedi as Independent Directors of the Company pursuant to clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June, 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

The Company has received from each of Col. Gurcharan Singh, Col. Surat Singh Bajwa and Sh. G.S. Bedi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Col. Gurcharan Singh, Col. Surat Singh Bajwa and Sh. G.S. Bedi is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Col. Gurcharan Singh, Col. Surat Singh Bajwa and Sh. G.S. Bedi are interested in the resolutions set out respectively at Item Nos. 5, 6 & 7 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the resolutions set forth in the Item Nos. 5, 6 & 7 of the Notice for approval of the members.

Item No. 8

The members of the Company at their 27th Annual General Meeting held on 29th September, 2006 approved by way of an ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956, the Company accorded consent to the Board of Directors for creating mortgage or charge on its movable or immovable properties for an amount not exceeding ₹ 100 Crore (Rupees One hundred Crore). Section 180(1) (a) of the Companies Act, 2013 requires that the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the members accorded by way of a special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1) (a) and other applicable provisions of the Companies Act, 2013, as set out at item no. 8 of the notice, to enable the Board of Directors to create mortgage or charge on its movable or immovable properties, approval of members is being sought.

None of the Directors and/or Key Managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no.8

Item No. 9

The members of the Company at their 27th Annual General Meeting held on 29th September, 2006 approved by way of an ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital of the company and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 100 Crore (Rupees One hundred Crore). Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the paid up capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at item no. 9 of the notice, to enable to the board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to ₹ 100 Crore (Rupees One hundred Crore) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and/or Key Managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no.9.

Item No. 10

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

The proposed new draft AoA will be available for inspection at registered office of the company on any working day of the Company between 11:00 AM to 1:00 PM (IST)

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice. The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

By Order of the Board of Directors
For Sarup Industries Limited

Place: Jalandhar
Date: 28.08.2014

Sd/-
Atamjit Singh Bawa
Managing Director

DIRECTOR'S REPORT

Your Directors submit their Report for the financial year ended 31st March, 2014

Industry Overview

The domestic footwear market is driven by growing fashion consciousness together with increased disposable income among India's urban middle class which contributes about 45% of overall footwear market, making India the second-largest global producer of footwear across varied segments after China. In the last 5 years, China's imports have increased by 132.67 percent and are eating the major market size of all categories i.e. men, women and children. The imports from China have surged the most by rising about 295 percent. Imports from USA have declined but imports from all other countries have increased tremendously.

Among the top ten countries to which the Indian Footwears are being exported, exports to Belgium have registered the highest compound annual growth rate (CAGR) of 22.7 percent in the last five years whereas Italy has registered the lowest CAGR of -9.1 percent in the last five years. Due to the increasing imports from China to Italy, Indian presence has reduced in the total imports of Italy and thus has recorded a negative growth rate. The maximum exports of India are made to UK and US as they acquire the largest share in India's total Footwear exports with 18.9 percent and 11.3 percent respectively.

There should be implementation of best practices at a firm level and at the sectoral level it should be through cluster based approach by setting up cross-industry clusters and support them through governmental interventions on infrastructure like port clearances and power, promotion of footwear industry by giving benefits at domestic as well as in exports and subsidy schemes. 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.

"Low cost of production, abundant availability of raw material, ever-evolving retail ecosystem, buying patterns and a huge consumption market are certain basic features that set apart the Indian footwear market. As per the report of ASSOCHAM the global footwear market which is growing at a CAGR of about five per cent, is currently estimated at about ₹10.15 lakh crore is likely to reach ₹ 12.34 lakh crore by 2015.

PRESENT FINANCIALS & COMPANY AFFAIRS

During the Year under review your company has registered an appreciable growth in respect of turnover during the financial year 2013-14 which amounting to ₹ 5857.08 Lacs. Your Company has registered a profit before tax of ₹ 173.11 lacs.

BUSINESS OPERATIONS

Net profit increased by 66.27% to ₹ 1.38 crore in the year ended March 2014 as against ₹ 0.83 crore during the previous year ended March 2013. Sales increased by 41.44% to ₹ 58.57 crore in the year ended March 2014 as against ₹ 41.41 crore during the previous year ended March 2013.

PROPOSED TRANSFER TO RESERVES

In terms of section 217 (1) (b) of the Companies Act, 1956 for the Financial Year ending March 31, 2014, the Company had transferred ₹ 25 lacs to the General Reserve.

Review of Operations

Your Company's performance during the year as compared with that during the previous year is Summarized below: -

(Fig In ₹ Lacs)

	Year ended March 31st 2014	Year ended March 31st 2013
Sales of products and services	5857.07	4140.89
Other Income	102.13	261.34
Total Income	5959.20	4402.23
Total Expenditure other than Interest and Depreciation	5495.49	3983.24
Profit before Interest, Depreciation and Tax	463.71	418.99
Depreciation and Amortization Expenses	120.77	139.48
Profit before Interest and Tax	342.94	279.51
Finance Cost (net)	169.83	175.83
Profit before Tax	173.11	103.68
Provision for Current Tax	34.64	20.74
Provision for Deferred Tax	0	0
Net Profit	138.47	82.94
Adjustments in respect of prior years	13.85	0.16
Surplus brought forward	673.22	661.82
Profit after Tax available for appropriation	797.84	744.92
Your Directors recommend appropriation as under:		
Proposed Dividend on Equity Shares	58.54	48.79
Dividend Tax on Proposed Dividend	9.50	7.91
Transfer to General Reserve	25.00	15.00
Income Tax /TDS/ wealth Tax Provision	17.99	0
Surplus Carried Forward	686.81	673.22
Total Appropriation	797.84	744.92

DIVIDEND

The Directors recommended dividend of ₹ 1.80/- (18%) per share on Equity shares for the year ended 31st March 2014, which will attract dividend tax of ₹ 9.49 Lacs. The total payout will be ₹ 58.54 Lacs and tax thereon ₹ 9.49 Lacs.

STATUTORY INFORMATION

Information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988, is given as under which forms part of this Report.

There is no employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 and the Companies (particulars of employees) Rules, 1975.

AUDITORS

M/s Y.K. Sud & Co., Jalandhar, Chartered Accountants who are the Statutory Auditors of the Company retires at the forthcoming Annual General Meeting and is eligible for reappointment. The retiring Auditors have furnished a certificate of their eligibility for reappointment pursuant to provisions of Section 139 & 142 of the Companies Act, 2013 and have indicated their willingness to be reappointed.

DEPOSITS

Your Company has not accepted any deposits during the financial year and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

APPOINTMENT OF COST AUDITOR

Your Company does not come under the purview of Cost Records and Cost Audit under Companies Act, 2013 and rules made thereunder so far. Any amendments in the rules or law if carried out by Ministry of Corporate Affairs will be adopted in letter and spirit.

COMPLIANCE CERTIFICATE

In accordance with the requirement of the section 383A of the Companies Act, 1956, a Compliance Certificate for the financial year 2013-14 from M/s Dinesh Gupta & Co., Practicing Company Secretaries, Jalandhar has been attached.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO

Information relating to energy conservation, foreign exchange earned and spent and research and development activities undertaken by the Company in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in **ANNEXURE "A"** to the Directors' Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is annexed as **ANNEXURE "B"** along with Auditors' Certificate regarding Compliance of the Conditions of Corporate Governance is given as part of this Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite certificate from M/s Y.K. Sud & Co. Chartered Accountants, Confirming Compliance with the conditions of Corporate Governance as Stipulated under the aforesaid clause 49, is annexed hereto as **ANNEXURE "C"** and forms part of this Annual Report.

AUDITORS' REPORT

The observations of the Auditors in their report are self-Explanatory and/or explained suitably in the Notes to the Accounts.

RESEARCH AND DEVELOPMENT

Footwear intended for use in multiple sporting activities represent non-trivial design challenges. Research and development facilities are available in house. Company is continuously engaged in using best efforts for developing and testing of the products manufactured at every level of production. Various factors like Gender, skill level, and environmental conditions add further requirements upon footwear designs and developing. Research activities mainly include the testing of the developed product by using various tests like bond test, color fastness, sole abrasion test and blooming test.

VOLUNTARY DELISTING OF THE COMPANY'S ORDINARY SHARES FROM CERTAIN STOCK EXCHANGES

The Company's application for delisting of ordinary shares is pending with The Delhi Stock Exchange Ltd.

PAYMENT OF LISTING FEE

The stocks of the Company are available for trading in dematerialized shape on the stock exchanges. The equity shares of the Company are listed on Bombay Stock Exchange and that the annual fees for the year 2014-15 has been duly paid.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) That such accounting policies have been selected and applied consistently, and such judgments and estimates have been made 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 or loss of the Company for that period;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- d) That the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to express their deep sense of appreciation for the committed services of all the employees of the Company. They place on record their appreciation for the support and co-operation your Company has been receiving from its Bankers, Customers, Distributors, Dealers, suppliers and other business partners.

**By Order of the Board
For Sarup Industries Limited**

Place: Jalandhar
Date: 28.08.2014

Sd-
Manjit Bawa
Chairperson

Sd-
Atamjit Singh Bawa
Managing Director

ANNEXURE 'A' to DIRECTORS' REPORT
Forming Part of the Directors' Report

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the companies (Disclosure of particulars in the Report of the Board of Directors) rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

A. Conservation of Energy

1) Energy Conservation measures undertaken: -

The year has been a widening gap between electricity production and demand right across the country. However, Your Company is ever mindful of the need for energy conservation, not only as a method of cost reduction but, but also because it is a global and social obligation.

- I. Utilisation of lights and stand-alone air conditioners only when required.
- II. Switching off computers when not in use.
- III. Any other measures as recommended by the concerned department for maximum conservation.

2) Additional investments and proposals:

- I. Replacement of existing lighting systems with higher efficiency systems and maximize natural day lighting
- II. Company is trying to reduce its expenses of energy consumption.
- III. Expenditure on power and fuel during the year ending 31st March, 2014 under review is ₹ 98.30 lacs as compared to ₹ 79.53 lacs during year ending March 31, 2013.

B. Technology Absorption, Adaptation & Innovation

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.

C. Details of Import of Technology

During the year new technology machines have been imported for better quality control and increase in productivity.

D. Foreign Exchange Earnings and Outgo

The information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Financial Statements.

ANNEXURE 'B' to DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL REVIEW

Footwear industry is giving more employment opportunities to male and female workers since the people are spending more on footwear and its quality. More opportunities in exports and domestic markets due to population growth and increase in per capita consumption and purchasing power of middle class people are giving hope to India in footwear sector for future employment creation in India.

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.

With a focused approach on growing the Industrial and Institutional business, the industry can offer globally renowned industrial footwear products. 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 <ul style="list-style-type: none"> ➤ Research and development ➤ Efficiency in production at different levels ➤ Large and growing international and domestic markets ➤ Easily Accessible Raw Material ➤ Government Support in the form of various subsidy schemes 	WEAKNESSES <ul style="list-style-type: none"> ➤ Dependence on Imported Machines and Components. ➤ Dependency on footwear sale ➤ Environmental problems ➤ Insufficient Enterprising Attitude of the Industry
OPPORTUNITIES <ul style="list-style-type: none"> ➤ Evolving retail ecosystem and Use of e-commerce in direct marketing ➤ Buying patterns and export friendly Government policies ➤ A huge consumption market Rising potential in the domestic market ➤ Growing fashion consciousness globally as well as market 	THREATS <ul style="list-style-type: none"> ➤ Stricter international standards ➤ High competition and entry of multinational in domestic market. ➤ Major part of the industry is unorganized

OUTLOOK

The Bottom line of market Research speaks that due to drastic increase in online and direct selling of branded footwear products in India has been increasing on day by day basis. The sport footwear industry is constantly innovating and adapting to the new trends and customers needs that can decrease the treat of substitute products.

ANALYSIS OF FINANCIAL CONDITION & RESULTS

During the year under review your Company has performed with its efforts at best and continues towards steps of growth. Your Company has registered revenue from operations of ₹ 5857.07 lacs and profit before tax is ₹ 173.11 lacs for the year ending 31st March, 2014.

ENVIRONMENT PROTECTION

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

RISK MANAGEMENT

Risks—Real or Perceived are increasing the stress levels of corporate executives. And the number of potential risks continues to grow as the global business model becomes more complex. 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. Such steps serve not only as insurance against future problems but also as positive action toward enhanced shareholder interest and value.

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 Board of Directors, in so far as it is responsible for the internal control and risk management system, sets the guidelines, verifying its adequacy, effectiveness and proper functioning, so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

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.

ANNEXURE 'C' to DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

Clause 49 of the listing agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

The Company's Philosophy

Your Company believes that the primary objective is to create and adhere to a corporate culture of conscience, consciousness, empowerment, accountability and independent monitoring. The Company's Philosophy is based on the key elements in corporate governance viz; transparency disclosure, supervision and internal controls. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of knowledge, action and care.

Board of Directors

The Board functions as a full Board and it meets at regular intervals. 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 Composition of the Board is in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges.

Composition of the Board of Directors: -

Executive Directors - 3, Non – Executive Directors - 4, Total = 7

Board meetings held and Directors' attendance record

Attendance of Directors:-

Sr No	Name of the Director	Designation & Category	No. of Board Meetings in the year	
			Held	Attended
1.	Mr Atamjit Singh Bawa	Managing Director	10	10
2.	Ms. Manjit Bawa	Chairman-Non Executive	10	10
3.	Mr. Simarjit Singh Bawa	Whole Time Director	10	10
4.	Col. Gurcharan Singh	Independent-Non Executive	10	10
5.	Mr. G.S. Bedi	Independent-Non Executive	10	0
6.	Col. Surat Singh Bajwa	Independent-Non Executive	10	10
7.	Mr Ashwani Kumar Arora	Director	10	10

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

1 st April, 2013	29 th May, 2013	5 th July, 2013	8 th August, 2013
31 st August, 2013	21 st October, 2013	11 th November, 2013	4 th January, 2014
11 th February, 2014	19 th March, 2014		

Committees of the Board

a) Audit Committee

The Board has constituted Audit Committee in accordance with the requirements of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The terms of reference of Audit Committee include the powers set out in Clause 49 II (C) and role stipulated in Clause 49 II (D) of the Listing Agreement.

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 external auditor, 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 judgement 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.

Members of the audit committee and the number of meetings attended by each director for the financial year 2013 – 2014

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr. Gurcharan Singh	Chairman	Independent Non Executive	4	4
2	Mr. G.S. Bedi	Member	Independent Non Executive	4	0
3	Mr. Ashwani Kumar Arora	Member	Director	4	4

Meetings of the Audit Committee

As per clause 49 of Listing Agreement, the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The Audit Committee of your Company has met 4 (Four) times during the year 2013-14 on 29th May 2013, 8th August 2013, 11th November, 2013, and 11th February, 2014.

b) Remuneration Committee & Policy**Terms of Reference**

The Company has constituted a Remuneration Committee in accordance with the requirements specified under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The functions of the Committee include recommendation of appointments to the Board, evaluation of the performance of the whole time Directors on predetermined parameters, recommendation to the Board of the remuneration.

One meeting of this Committee took place on 17th October, 2013. Attendance of the directors:-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr G.S. Bedi	Chairman	Independent Non Executive	1	0
2	Mr Gurcharan Singh	Member	Independent Non Executive	1	1
3	Col. Surat Singh Bajwa	Member	Independent Non Executive	1	1

c) Investor's Grievances committee**Terms of reference**

The functions and powers of the Committee include approval of transfers, transmissions, transpositions, splitting, consolidation of shares, issue of duplicate certificates and demat / remat requests within the purview of the guidelines issued by SEBI and Listing Agreement besides review and redressal of shareholders' and investors' complaints.

The committee looks into the redressal of investors complaints. Mr. Atamjit Singh Bawa, Mr. Simerjit Singh Bawa and Col. Gurcharan Singh comprise this committee. Two meeting of this Committee took place on 13th April, 2013, 23rd August 2013, 12th October, 2013, and 4th December, 2013. Attendance of the directors:-

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	Mr Gurcharan Singh	Chairman	Independent Non Executive	4	4
2	Mr. Atamjit Singh Bawa	Member	Managing Director	4	4
3	Mr. Simerjit Singh Bawa	Member	Whole Time Director	4	4

Name and designation of Compliance Officer: Amit Kumar

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

Necessary disclosures under the Accounting Standards 18 relating to the related Party transactions form part of the accounts for the year 2013-14.

b) Details of Non-compliance

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

c) 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, 2014, is annexed to the Corporate Governance Report.

SHAREHOLDERS AND MEANS OF COMMUNICATION

a) Disclosures regarding appointment or re-appointment of Directors

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company Smt. Manjit Bawa will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The brief profile of the above named Directors seeking re-appointment is given below:

Smt. Manjit Bawa is qualified GEC, Nem Castle on Tyne, UK. She is having wide experience in Industry and managing the affairs of business.

(ii) Communication to shareholders

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.lotusbawa.in**. 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.

(iii) Share transfer

The Company has outsourced its share transfer function to M/s. Skyline Financial Services (P) Ltd., which is registered with the SEBI as a Registrar and Transfer Agent.

Auditor's Certificate on Corporate Governance:

As stipulated in Clause 49 of the Listing Agreement, the auditor's certificate regarding compliance of conditions of corporate governance is annexed to the Directors' Report.

General Shareholder Information

i) Date of incorporation

27th July, 1979

- ii) Registered office P.O. Ramdasapura, Jalandhar – 144003
 iii) Date and Time of Annual General Meeting 29th September, 2014 at 10:30 AM (IST)
 IV) Venue of Annual General Meeting P.O. Ramdasapura, Jalandhar – 144003
 v) Financial Calendar

Financial reporting for 1st Qtr. ending June 30, 2014	End of July 2014
Financial reporting for 2nd Qtr. ending Sept 30, 2014	End of October 2014
Financial reporting for 3rd Qtr. ending Dec 31, 2014	End of January 2015
Financial reporting for 4th Qtr. ending March 31, 2015	End of May 2015

- vi) Date of Book closing for dividend 22nd September, 2014 to 29th September, 2014
 vii) Dividend Dispatch date within 30 days
 viii) 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 2014-2015 has been paid to the Stock Exchange, Mumbai.

- ix) Scrip Code (BSE) - 514412
 x) ISIN Code (NSDL) - INE 305D0101 9
 xi) Registrar and Transfer Agents Skyline Financial Services Pvt. Ltd.
 D-153 A, 1st Floor, Okhla Industrial Area
 Phase- I, New Delhi- 110020
 xii) Contact Person Mr. Parveen Kumar, Tele: 011-26812683

Distribution of shareholding as on 31st March, 2014

Share /Deb. Holding	Share/Deb. Holders (Nos.)	% to total number	Share/ debenture physical	NSDL	CDSL	Total (Value)	%age
Up to 500	2011	92.50	119523	96145	37802	253470	7.79
501-1000	72	3.31	11225	27470	19296	57991	1.78
1001-2000	31	1.43	5200	27572	11820	44592	1.37
2001-3000	23	1.06	10600	31586	14942	57128	1.76
3001-4000	4	0.18	3100	7055	3099	13254	0.41
4001-5000	8	0.37	0.00	23789	14266	38055	1.17
5001-10000	9	0.41	11700	37349	14148	63197	1.94
10001 & Above	16	0.74	15600	2684713	24400	2724713	83.78

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, 2014.

Stock Exchange: Bombay Stock Exchange,
Company: Sarup Industries Limited,

Scrip Code: 514412,
For the Period: April 2013 to March 2014

Month	High	Low	No. of Shares
Apr-13	32.55	28.50	8799
May-13	31.50	29.50	175
Jun-13	33.05	24.70	2475
Jul-13	32.00	25.90	8581
Aug-13	32.90	28.25	16463
Sep-13	31.25	27.90	2091
Oct-13	31.50	26.00	1306
Nov-13	29.20	26.40	1106
Dec-13	27.00	23.55	2626
Jan-14	29.00	25.45	2259
Feb-14	27.20	24.80	2701
Mar-14	31.00	25.20	37884

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.

Annual General Meetings

(a) The last three Annual General Meetings were held as under: -

Financial Year Ended	Date	Day	Time	Venue
31 st March 2013	27 th September, 2013	Friday	10:30 AM	P.O. Ramdasapura, Jalandhar
31 st March 2012	28 th September, 2012	Friday	10:30 AM	P.O. Ramdasapura, Jalandhar
31 st March 2011	29 th September, 2011	Thursday	10:30 AM	P.O. Ramdasapura, Jalandhar

Special Resolution: In the AGM for year ending 31st March, 2011 two Special Resolutions were passed Detail of which is as under:-

1. Special Resolution for change of Objects of the Company as per provisions contained under the Companies Act, 1956

2. Special Resolution passed for affecting the name change of the Company from Sarup Tanneries Limited to Sarup Industries Limited as per provisions contained under the Companies Act, 1956.

Location Address

Sarup Industries Limited, P.O. Ramdaspora, Jalandhar- 144003, Punjab (INDIA)

Ph: 0181-2271556/7

E mail: accounts@bawastl.com

Address for Correspondence:

In line with the requirement of Clause 47(f) of the Listing Agreement, Company has designated an email ID shareholders@bawastl.com exclusively for the purposed of registering complaints by investors. The Shareholders may address their correspondence to:

Company Office (Registered)

Amit Kumar, Company Secretary
Sarup Industries Limited
P.O. Ramdaspora,
Jalandhar-144003, Punjab
Phone Nos: 0181-2271556/7/8
Email: shareholders@bawastl.com

Registrars and Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153 A, 1st Floor, Okhla Industrial Area
Phase- I, New Delhi- 110020
Phone Nos: 011-26812683
E mail: parveen@skylinerta.com

A. Declaration regarding compliance with the Code of Conduct by Board Members and Senior Management personnel pursuant to Clause 49(1)(D)(ii) of the Listing agreement

This is to certify that as per Clause 49 of the Listing Agreement:

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Code of Conduct has been posted on the website of the Company.
3. The Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year 2013-14.

Date: 28.08.2014
Place: Jalandhar

Sd/-
Atamjit Singh Bawa
Managing Director

B. Certificate by Chief executive officer and Chief Financial officer on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Board of Directors,
Sarup Industries Limited

We hereby certify that for the financial year 2013-14:

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 2013-14 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 2013-14 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 & on behalf of Board of Directors
For Sarup Industries Limited

Place: Jalandhar
Dated: 28.08.2014

Sd/-
Bawa Atamjit Singh
Managing Director

Sd/-
Ashwani Kumar Arora
Chief Financial Officer

COMPLIANCE CERTIFICATE

(Pursuant to proviso to sub section (1) of Section 383 A of The Companies Act, 1956
and Rule 3(1) of the Companies (Compliance Certificate) Rules 2001)

To

The Members
Sarup Industries Limited
P.O. Ramdaspora
Jalandhar

CIN: - L19113PB1979PLC004014

Nominal Capital: - ₹ 4,00,00,000

Registration number: -004014

We have examined the registers, records, books and papers of M/s Sarup Industries Ltd., (The Company) as required to be maintained under the Companies Act, 1956 (The Act) and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended March 31, 2014. In our opinion and to the best of our information and according to the examination carried out by us and explanation furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the act and the rules made there under.
3. The company being a Public Limited Company, this clause is not applicable to it.
4. The Board of Directors duly met 10 (Ten) times on April 01, 2013, May 29, 2013, July 05, 2013, August 08, 2013, August 31, 2013, October 21, 2013, November 04, 2014, January 4, 2014 February 11, 2014 and March 19, 2014 in respect of which management certifies that proper notices of the Board Meetings have been given. The proceedings of Board Meeting have been properly recorded in the Minute Book maintained for the purpose and signed.
5. The Company closed its Register of Members from September 23, 2013 to September 27, 2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on March 31, 2013 was held on September 27, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year under scrutiny.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the act.
9. The Management certifies that the company has not entered into any transactions falling within the purview of Section 297 of the Act.
10. The company has not maintained register under section 301 of the Act.
11. As there were no instances falling exceeding the limits of section 314 of the Act, the company was not required to obtain any approvals from the Board of directors, members or Central Government.
12. The company has not issued any Duplicate Share Certificate during the said financial year.
13. During the year 2013-14, the management certifies that the company:
14. has duly delivered all certificates on lodgment thereof for transfer and transmission of Shares made during the year in accordance with provisions of the Act.
15. has deposited the amount of dividend declared on September 27, 2013 in a separate Bank account on October 23, 2013.

- (i) has posted cheques for dividend to all members within a period of thirty days from the date of declaration of such dividend.
- (ii) Company has transferred the amount of ₹ 1,31,815 due during the year in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to "INVESTOR EDUCATION AND PROTECTION FUND
- (iii) has duly complied with the requirements of section 217 of the Act.

- 16. The Board of Directors of the company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year under review.
- 17. The company has not appointed any Managing Director / Whole time Director / Manager during the financial year under scrutiny.
- 18. This Para is not applicable as the Company has not made any appointment of Sole-Selling Agent during the period under consideration.
- 19. According to the documents produced to us for verification and explanation given by the management, the company was not required to obtain any approval of Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
- 20. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 21. The company has not issued any shares/debentures or any other securities during the said financial year.
- 22. The company has not bought back any shares during the financial year ending March 31, 2014 and therefore this para is not applicable.
- 23. This Para is not applicable as the company has not issued any preference shares/debentures and hence has not redeemed any preference shares/ debentures during the said financial year.
- 24. The Management certifies that there were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 25. The Company has not accepted any deposits including any unsecured loans falling within the purview of Section 58A and 58 AA of the Companies Act, 1956 during the financial year under consideration.
- 26. The amount borrowed by company from directors, banks and others during the financial ending March 31, 2013 is within the borrowing limits of the company and that necessary resolutions as per section 293(1) (d) of the Act had been passed in duly convened Annual General Meeting.
- 27. That the company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in register kept for the purpose.
- 28. The company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one State to another during the said financial year.
- 29. The company has not altered the provisions of the Memorandum of Association with respect to the object of the company during the said financial year.
- 30. The company has not altered the provisions of the Memorandum of Association with respect to name of the company during the said financial year.
- 31. The company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the said financial year.
- 32. The company has not altered its Articles of Association during the said financial year.
- 33. The Management certifies that no prosecution has been initiated against or show cause notice has been received by the company for any offence under the Act and also no fines and penalties or any other punishment imposed on the company.

34. The company has not received any money on security from its employees during the year under certification, and therefore the provisions of section 417(1) of the Act are not attracted.
35. This Para is not applicable as the company does not have its own Provident Fund Scheme within the provisions of Sec 418 of the Companies Act 1956.

Date: 29.05.2014
Place: Jalandhar

DINESH GUPTA
(Company Secretary)
FCS NO.3462,CSP NO. 1947

Part of compliance certificate For the financial year ended march 31, 2014

ANNEXURE 'A'

STATUTORY REGISTERS MAINTAINED BY THE COMPANY:

1. Register of Members u/s 150
2. Minutes Book of Directors
3. Minutes Book of Shareholders
4. Register of Directors u/s 303
5. Books of Accounts u/s 209
6. Register of Charges
7. Register of Director's Shareholding
8. Register u/s 301 of the Act
9. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960.

ANNEXURE 'B'

FORMS AND RETURNS AS FILED BY THE COMPANY WITH ROC, REGIONAL DIRECTOR,CENTRAL GOVERNMENT OR OTHER AUTHORITIES DURING THE FINANCIAL YEAR ENDING ON MARCH 31, 2014:

Sr. No	E- Form Filed	Filed Under Section	Date of Filing	Filed within Time	If Delay, Additional Fees paid
1	Form 1 INV	Rule 3 of IEPF Rules 2001	30-11-2013	Yes	NA
2	Form 23 B	Appointment of auditor	10-10-2013	Yes	NA
3	Form 5 INV	Rule 3 of IEPF Rules 2001	05-03-2014	Yes	NA
4	Form 5 INV	Rule 3 of IEPF Rules 2001	10-10-2014	Yes	NA
5	Form 66	Section 383 A	07-10-2013	Yes	NA
6	Form 20B	Section 159	26-11-2013	Yes	NA
4	Form 5 INV	Rule 3 of IEPF Rules 2001	10-10-2014	Yes	NA
8	Form 23 AC XBRL	Section 220	27-10-2013	Yes	NA
9	Form 23 ACA XBRL	Section 220	27-10-2013	Yes	NA
10	Form A-XBRL	Sec. 209 (1) (d), 600 (3) (b)	30-09-2013	Yes	NA

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49
OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA**

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, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

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

Place: Jalandhar
Date: 29th May, 2014

For Y.K.Sud & Co.
Chartered Accountant
Sd/-
Y.K. Sud.
Prop.

INDEPENDENT AUDITOR' REPORT

To

The Members of
Sarup Industries Limited
Jalandhar

We have audited the accompanying financial statements of SARUP INDUSTRIES LIMITED(the Company), which comprise the Balance Sheet AS AT 31ST MARCH , 2014 , the statement of Profit and Loss and Cash Flow for year ended , and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards notified under the Companies Act, 1956(the Act) read with General Circular 15/2013 dated 13 the Sept, 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material statements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon the Auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to explanations given to us, the aforesaid accounts, read together with significant accounting policies and notes forming part of accounts, give the information required by the companies Act,1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) In case of balance sheet, of the state of the affairs of the company as at 31st March 2014.
- (ii) In case of profit and loss Accounts, of the loss company for the year ended on the date.
- (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) order, 2003 issued by the central government of India in terms of section 227 (4A) of the companies act 1956. We enclosed in Annexure statement on the matters specified in paragraphs 4&5 of the said order.
2. Further to our comments in the annexure refers to in paragraphs in 1 &2 above, we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books of accounts ;
 - (c) The Balance sheet , profit & loss accounts and cash flow statement dealt with by this report are in agreement with the books of accounts ;
 - (d) In our opinion , the balance sheet and profit &loss accounts read together with notes thereon and cash flow statement of company comply with the accounting standards as referred in sub-section (3C) of sections 211 of the companies Act ,1956, to the extent applicable;
 - (e) As per information and explanations given to us ,none of the directors of the company are disqualified from being appointed as a directors under clause (g) of sub –section (1) of section 274 of the companies Act, 1956;

For Y.K. Sud & Co .

Chartered Accountant

PLACE: JALANDHAR

Date: 29th May .2014

Annexure refers to in paragraph 3 of the report of even date of the auditors to the members M/s Sarup Industries Limited

1. (a) The company has maintained proper record showing full particulars, including quantitative details situation of fixed assets.
 - (b) The fixed assets were physically verified by the management at reasonable interval, the discrepancies noticed on physical verification were not material and the same has been properly dealt with in the books of account.
 - (c) According to information and explanation given to us, the company has not disposed off substantial parts of its fixed assets during the year and the going concern status of the company is not affected.
2. (a) Stock of finished goods, stores spare parts and raw materials have been physically verified by the managements at reasonable intervals.
 - (b) The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of company and nature of its business.

- (c) in our opinion and according to the information and explanation given to us the company is maintaining proper record of inventory . As explained to us there were no material discrepancies have been noticed on physical verification of stocks as compared to book record.
3. (a) The company has not granted any loans , secured or unsecured to companies, firm or other parties listed in the register maintained under section 301 of the act 1956. Therefore the provisions of clause 4(iii)(b)(c) and (d) of the order are not applicable to the company.
- (b) The company has not taken any loans, secured or unsecured from companies, firm or other parties listed in the register maintained under section 301 of the act 1956. Therefore the provisions of clause 4(iii)(f) and (g) of the order are not applicable to the company.
4. There are adequate internal control procedures commensurate with the size of company and nature of its business for the purchase of inventory, fixed Assets and sale of goods. During the course of our audit, we have not observed any failure to correct major weakness in internal control procedures.
5. (a) The transactions of purchase of goods and material and sale of goods, material and services made in pursuance of contracts or arrangements entered in the register maintained under the section 301 of Companies Act – 1956.
- (b) in our opinion and according to the information and explanations given to us the transactions in pursuance of such contracts or arrangement have been made at prices which are reasonable having regard to prevalent market prices at the relevant time.
6. The company has not accepted ant deposit from public. Thus provisions of section 58A & 58AA of the companies Act 1956 are not applicable. No order has been passed by company Law Board.
7. The company has an internal audit system commensurate with the size and nature of its business.
8. The books of accounts maintained pursuant to the rule made by the Central Govt. for the maintenance of cost records under section 209 (i) (d) of the companies Act 1956 have broadly been reviewed by us and prima facie, the prescribed accounts and record have been made and maintained .
9. (a) The Company is regular in depositing provident Fund dues and EMPLOYEES State Insurance dues with the appropriate authorities. No undisputed amounts payable in respect of Investor Education Protection Fund Income Tax, Sale Tax , Custom Duty and Excise Duty were outstanding as 31st March 2014 for a period of more than six months from the date they become payable .
- (b) There are no dues pending in regard to Sale Tax/ Custom Tax/ Wealth Tax / Income Tax / Excise Duty / Cess Duty, on account of any disputes with respective department.

10. The company has no accumulated losses and has not incurred any cash loss in the financial Year under audit and in the immediately preceding financial Year.
11. In our opinion and according to the information and explanation given to us , the company has not defaulted in repayment of dues to bank, financial institution, and banks.
12. According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture, and other securities.
13. In our opinion, the company is not chit fund or a nidhi / mutual benefit fund s /Society, therefore the provisions of clause 4 (Xiii) of the companies (Auditor's Report) order, 2003 are not applicable to the Company.
14. Based on our examination of record and evaluation of related internal control we are of the opinion that proper records have been made there in respect of companies' activities relating to trading /dealing in shares, securities and other investments and these have been held by the company in its own name.
15. The Company has not given a guarantee for loans taken by another company from Financial Institution.
16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
17. In our opinion and according to the information and explanation given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. Further, no long term funds have been used for short term investment.
18. According to the information and explanation given to us the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of Companies Act 1956.
19. According to the information and explanation given to us the company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of a public issue during the year , Therefore the provisions of clause 4(xx) of the companies (Auditor's Report) order 2003 are not applicable to the company.
21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the period covered by our audit.

Place: Jalandhar
Date: 29th May, 2014

For Y.K. Sud & Co.
Chartered Accountant

Sd/-
Y.K. Sud & Co. (Prop.)

BALANCE SHEET AS AT 31st MARCH, 2014

		Amt. In ₹		
Particulars		Note No.	As at 31 March, 2014	As at 31 March, 2013
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	32,524,000	32,524,000
	(b) Reserves and surplus	4	243,589,602	239,730,043
	(c) Money received against share warrants		-	-
			276,113,602	272,254,043
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	5	14,614,994	21,759,398
	(b) Deferred tax liabilities (net)		-	211,405
	(c) Other long-term liabilities	6	16,162,987	16,162,987
	(d) Long-term provisions		-	-
			30,777,981	38,133,790
4	Current liabilities			
	(a) Short-term borrowings	7	114,398,535	115,371,692
	(b) Trade payables	8	108,485,245	67,108,116
	(c) Other current liabilities	9	32,429,388	26,323,979
	(d) Short-term provisions	10	12,342,414	23,209,676
			267,655,582	232,013,463
	TOTAL		574,547,165	542,401,296
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	124,574,841	124,086,374
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		2,637,092	1,983,637
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			127,211,933	126,070,011
	(b) Non-current investments	12	4,279,064	4,279,064
	(c) Deferred tax assets (net)		980,309	-
	(d) Long-term loans and advances	13	1,902,191	2,328,076
	(e) Other non-current assets	14	-	111,568
			7,161,564	6,718,708

2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	15	285,753,398	202,636,169
	(c) Trade receivables	16	107,034,212	120,125,402
	(d) Cash and cash equivalents	17	8,063,999	40,748,255
	(e) Short-term loans and advances	18	25,621,602	18,039,403
	(f) Other current assets	19	13,700,457	28,063,348
			440,173,668	409,612,577
	TOTAL		574,547,165	542,401,296
	See accompanying notes forming part of the financial statements			

In terms of our report attached.		
For Y.K. Sud & Co;		For and on behalf of the Board of Directors
Chartered Accountants		
Sd/-	Sh Atamjit Singh	Smt Manjit
	Bawa	Bawa
(Prop.)		
	Managing Director	Director
Jalandhar, 29th May, 2014		

Statement of Profit and Loss for the year ended 31 March, 2014

Amt. In ₹

	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A	CONTINUING OPERATIONS			
1	Revenue from operations (Net)	20	595,015,352	438,381,710
2	Other income	21	904,947	1,841,062
3	Total revenue (1+2)		595,920,299	440,222,772
4	Expenses			
	(a) Cost of materials consumed	22. a	370,058,049	240,363,043
	(b) Purchases of stock-in-trade	22. b	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22. c	(55,197,991)	(12,804,700)
	(d) Employee benefits expense	23	150,388,448	105,900,954
	(e) Finance costs	24	16,982,967	17,582,556
	(f) Depreciation and amortisation expense		12,077,263	13,948,317
	(g) Other expenses	25	84,300,660	64,864,425
	Total expenses		578,609,396	429,854,595
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		17,310,903	10,368,177
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		17,310,903	10,368,177
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 ± 8)		17,310,903	10,368,177
10	Tax expense:			
	(a) Current tax expense for current year		3,463,912	2,074,465
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		3,463,912	2,074,465
	(e) Deferred tax			-
11	Profit / (Loss) from continuing operations (9 ± 10)		13,846,991	8,293,712
B	DISCONTINUING OPERATIONS			
12	Profit / (Loss) from discontinuing operations		-	-
C	TOTAL OPERATIONS			
13	Profit / (Loss) for the year (11 ± 12)		13,846,991.00	8,293,712.00

14	Earnings per share (of Rs 10/- each):			
	(a) Basic		4.26	2.55
	(b) Diluted		4.26	2.55
15	Earnings per share (excluding extraordinary items) (of Rs 10/- each):			
	(a) Basic		4.26	2.55
	(b) Diluted		4.26	2.55
	See accompanying notes forming part of the financial statements			
In terms of our report attached.				
For Y.K. Sud & Co;		For and on behalf of the Board of Directors		
Chartered Accountants				
Prop.		Sd/-		Sd/-
		Atamjit Singh Bawa		Manjit Bawa
		Managing Director		Director
Jalandhar, 29th May, 2014				

Note Forming part of the Financial Statements

Note 1 Significant Accounting Policies

- The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the Companies Act as adopted consistently by the Company.
- The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

Note 2 Significant Accounting Policies

Fixed Assets and Depreciation

All assets are stated at cost of acquisition, less accumulated depreciation. In the case of fixed assets acquired for new projects/ expansion interest cost on borrowings and other related expenses incurred up to the date of completion of projects are capitalized. Depreciation on fixed assets is provided on written down value at the rates and in the manner prescribed in Schedule XIV of the Companies Act.

Foreign Exchange Transaction/Export Sales

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of transaction

Investments: - Investments are stated at Cost.

Note 3 Share Capital

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	Amt. In ₹	No of Shares	Amt. In ₹
(a) Authorized				
Equity Shares of Rs. 10/- Each	4,000,000	40,000,000	4,000,000	40,000,000
(b) Issued				
Equity Shares of Rs. 10/- each	3,252,400	32,524,000	3,252,400	32,524,000
(c) Subscribed and fully paid up				
Equity Shares of Rs. 10/- each	3,252,400	32,524,000	3,252,400	32,524,000

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

Particulars	Opening Balance	Fresh Issue	Buy Back	Closing Balance
Equity Shares with Voting rights				
Year Ended 31.03.2014				
Number of Shares	3252400	-	-	3252400
Amount (Rs.)	32524000	-	-	32524000
Year Ended 31.03.2013				
Number of Shares	3252400	-	-	3252400
Amount (Rs.)	32524000	-	-	32524000

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

Not Applicable

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
1. Atamjit Singh Bawa	1531754	47.10	1531754	47.10
2. Manjit Bawa	400100	12.30	400100	12.30
3. Simerjit Singh Bawa	486646	14.96	486646	14.96

Note 4 Reserves & Surplus		Amt. In ₹
Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Capital reserve		
Opening balance	3,035,800	3,035,800
Closing Balance	3,035,800	3,035,800
(b) Securities premium account		
Opening balance	27,345,000	27,345,000
Closing Balance	27,345,000	27,345,000
(c) General reserve		
Opening balance	142,027,787	140,527,787
Add: Transferred from surplus in Statement of Profit and Loss	2,500,000	1,500,000
Closing balance	144,527,787	142,027,787
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	67,321,456	66,182,151
Add: Profit / (Loss) for the year	15,038,705	8,293,036
Provision w/back	-	16,300
Deferred tax liability w/back	-	-
Less: Dividends proposed to be distributed to equity shareholders (RS 1.50 per share)	5,854,320	4,878,600
Tax on Dividend	949,717	791,431
Transferred to General Reserve	2,500,000	1,500,000
Income Tax	2,989,919	-
Prior Period Adjustments	1,385,190	-
Closing Balance	68,681,015	67,321,456
Total (a+b+c+d)	243,589,602	239,730,043

Note 5 Long Term Borrowings

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
a) Term Loans		
From Banks (Secured)	10,512,581	19,760,438
b) Deposits (Unsecured)	4,102,413	1,998,960
Total	14,614,994	21,759,398

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of Repayment	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2013
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>					
HDFC Bank	Secured against Audi Car	2,569,809		-	
Tata Motors Limited	Secured against Tempo	-		18,614	
HDFC Bank	Secured against Indigo Car	82,892		209,765	
HDFC Bank	Secured against Indigo Car	72,768		184,145	
Kotak Mahindra Prime Ltd.	Secured against car	-		4,120	
HDFC Bank	Secured against Sunny car	508,838		-	
HDFC Bank	Secured against Sunny car	508,838		-	
State Bank of India	OTL A/c (Secured against Machinery)	-		2,529,953	
State Bank of India	Secured against Building & Machinery	4,573,802		12,925,644	
State Bank of India	Secured against building & Machinery	2,195,634		3,888,197	
Total - Term loans from banks		10,512,581		19,760,438	

Particulars	Terms of Repayment	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2013
<u>Loans and advances from related party</u> From Directors			4,102,413		1,998,960
Total - Loans and advances from related parties			4,102,413		1,998,960

(ii) The Company has not defaulted in repayment of loans and interest that has become payable during the year.

Note 6 Other long-term liabilities

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
(i) Trade / security deposits received	16,162,987	16,162,987
Total	16,162,987	16,262,987

Note 7 Short-Term borrowings

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Loans repayable on demand From banks		
Secured	114,398,535	115,371,692
Unsecured	-	-
Total	114,398,535	115,371,692

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

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Loans repayable on demand from banks	103,327,671	106,008,360
Total	103,327,671	106,008,360

Note 8 Trade Payables

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade payables:		
Acceptances	108,445,285	67,108,116
Total	108,445,285	67,108,116

Note 9 Other Current Laibilities

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
(a) Unpaid Dividend	1,114,470	1,028,044
(b) Other payables	-	-
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	3,120,080	381,305
(ii) Advances from customers	7,936,880	7,521,245
(iii) Expenses Payable	15,181,161	13,888,435
(iv) Cheques issued but not yet presented	5,076,797	3,504,950
Total	32,429,388	26,323,979

Note 10 Short-term provisions

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Provision for Tax		
(i) Provision for tax	5,538,377	17,539,645
(ii) Provision for proposed equity dividend	5,854,320	4,878,600
(iii) Provision for tax on proposed dividends	949,717	791,431
(iv) Provision - wealth tax	-	-
Total	12,342,414	23,209,676

Note 11 Fixed Assets										Amt. In ₹
Tangible assets	Cost			Depreciation/Amortisation/Diminution				Net block		
	Balance as at 1 April, 2013	Additions	Disposals	Balance as at 31 March, 2014	Upto 1 April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Upto 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013
Land	24,824,780			24,824,780	0			0	24,824,780	24,824,780
Building Factory	35,951,241			35,951,241	16,743,888	1,920,735		18,664,623	17,286,618	19,207,353
Building residential	24,164,914			24,164,914	6,806,773	867,908		7,674,681	16,490,233	17,358,141
Plant & Equipments	184,992,872	6,212,752	2,079,820	189,125,804	135,841,793	6,177,379	1,050,000	140,969,172	48,156,632	49,151,079
Furniture and Fixtures	14,047,784	155,953		14,203,737	11,239,046	524,406		11,763,452	2,440,285	2,808,738
Vehicles	12,722,110	6,097,371		18,819,481	8,865,951	1,143,660		10,009,611	8,809,870	3,856,159
Office equipment	5,704,127	367,690		6,071,817	4,118,447	243,710		4,362,157	1,709,660	1,585,680
Leasehold improvements (owned)	919,661			919,661	486,510	78,400		564,910	354,751	433,151
Electric installation	6,620,627			6,620,627	3,809,067	375,807		4,184,874	2,435,753	2,811,560
Computers	2,769,889	210,883		2,980,772	2,435,302	172,900		2,608,202	372,570	334,587
Tubewell	442,841			442,841	321,232	12,160		333,392	109,449	121,609
Moulds and dies	7,958,935	481,916		8,440,851	6,382,742	544,947		6,927,689	1,513,162	1,576,193
Creache	3,480			3,480	282	445		727	2,753	3,198
Scanner	19,425	68,985		88,410	5,279	14,806		20,085	68,325	14,146
Total	321,142,686	13,595,550	2,079,820	332,658,416	197,056,312	12,077,263	1,050,000	208,083,575	124,574,841	124,086,374

Note 12 Non-current investments

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
1)Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of other entities						
1600 Shares of Rs. Each fully paid up in DSQ	321,893	-	321,893	321,893	-	321,893
Shares of fully paid up in Modern Syentex Ltd.		18,000	18,000		18,000	18,000
Shares of ₹ Each fully paid up in Pentamedia	496,820	-	496,820	496,820	-	496,820
Shares Each fully paid up in Polaris Financial	1,105,265	-	1,105,265	1,105,265	-	1,105,265
Share of Rs. Each in Punjab Iron & Steel Co. Ltd	-	15,058	15,058	-	15,058	15,058
Shares of Rs. Each in Software Solutions India	-	633,276	633,276	-	633,276	633,276
Shares of Rs. Each in Square D Software	1,221,867	-	1,221,867	1,221,867	-	1,221,867
Shares of Rs. Each in Star Precession	-	15,000	15,000	-	15,000	15,000
Shares of Rs. Each in Star Thapar Milk Products	-	3,000	3,000	-	3,000	3,000
Shares of Rs. Each in Umred Agro	-	170,000	170,000	-	170,000	170,000
2) Investment in mutual funds (give details)						
(As at 31.3.2011) Units of SBI Magnum Scheme (G)	200,000	-	200,000	200,000	-	200,000
(As at 31-3-2011) Units of HDFC Top 200(G)	78,885	-	78,885	78,885	-	78,885
Total	3,424,730	854,334	4,279,064	3,424,730	854,334	4,279,064

Note 13 Long-term loans and advances

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
(b) Security deposits		
Unsecured, considered good	1,902,191	2,328,076
Doubtful	0	0
	1,902,191	2,328,076
Less: Provision for doubtful deposits	0	0
Total	1,902,191	2,328,076

Note 14 Other non-current assets

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Unamortised expenses	-	99,908
Others (deferred revenue expenses)	-	11,660
Total	-	111,568

Note 15 Inventories

(At lower of cost or net realisable value)

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Raw materials	76,346,999	49,587,844
Work-in-progress	76,469,053	34,985,263
Finished goods (other than those acquired for trading)	130,053,555	116,339,354
Stores and spares	1,098,434	720,234
Others - Packing Material	1,785,357	1,003,474
Total	285,753,398	202,636,169

Note 16 Trade receivables

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	38,620,625	39,968,198
Doubtful	-	-
	38,620,625	39,968,198
Less: Provision for doubtful trade receivables	-	-
	38,620,625	39,968,198
Other Trade receivables		
Unsecured, considered good	68,413,587	80,157,204
Doubtful	-	-
	68,413,587	80,157,204
Less: Provision for doubtful trade receivables	-	-
	68,413,587	80,157,204
Total	107,034,212	120,125,402

Note 17 Cash and cash equivalents

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand	18,023	48,532
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	2,175,123	31,492,047
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	4,756,383	8,179,632
(iv) Unpaid dividend Accounts	1,114,470	1,028,044
Total	8,063,999	40,748,255

Note 18 Short-term loans and advances

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Loans and advances to employees		
Unsecured, considered good	322,749	844,236
Doubtful	-	-
	322,749	844,236
(b) Prepaid expenses - Unsecured, considered good	468,014	174,120
(c) Balances with government authorities		
(i) CENVAT credit receivable	1,467,044	213,397
(ii) VAT credit receivable	3,153,033	293,486
(iii) Service Tax Credit receivable	10,554	-
(iv) PLA	253	253
	5,098,898	681,256
(d) Others		
Unsecured Considered Good	20,199,955	16,513,911
Total	25,621,602	18,039,403

Note 19 Other current assets

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Capital Subsidy receivables	3,107,245	3,107,245
Advance income tax	8,600,112	23,169,627
Others (INCENTIVE RECEIVABLE)	1,593,100	1,386,476
VAT Refund	400,000	400,000
Total	13,700,457	28,063,348

Note 20 Revenue from operations

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Sale of products(Refer note i below)	585,707,554	414,089,627
Other operating revenues(Refer note ii below)	9,307,798	24,292,083
	595,015,352	438,381,710

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Note i) Sale of products comprises		
<u>Manufactured goods</u>		
Shoes and shoes upper	556,126,191	414,089,627
Leather	29,581,363	-
Total - Sale of manufactured goods	585,707,554	414,089,627
(Note ii) Other operating revenues comprise		
Insurance Claim	5,633,099	-
Duty drawback and other export incentives	3,069,249	5,701,162
Others	605,450	18,590,921
Total - Other operating revenues	9,307,798	24,292,083

Note 21 Other income

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Interest income	513,180	1,253,467
Dividend income:	7,500	4,500
Other Non Operating Income	384,267	583,095
Total	904,947	1,841,062

Note 22.a Cost of materials consumed

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Opening stock	51,311,552	62,298,153
Add: Purchases	397,977,287	229,376,442
	449,288,839	291,674,595
Less: Closing stock	79,230,790	51,311,552
Cost of material consumed	370,058,049	240,363,043

Note 22. b Purchase of Traded Goods

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Traded Goods	-	-
Total	-	-

Amt. In ₹

Note 22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31 March, 2014	As at 31 March, 2013
<u>Inventories at the end of the year:</u>		
Finished goods	130,053,555	116,339,354
Work-in-progress	76,469,053	34,985,263
	206,522,608	151,324,617
<u>Inventories at the beginning of the year:</u>		
Finished goods	116,339,354	129,678,890
Work-in-progress	34,985,263	8,841,027
	151,324,617	138,519,917
Net (increase) / decrease	(55,197,991)	(12,804,700)

Note 23 Employee benefits expense

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Salaries and wages	109,967,467	73,024,204
Contributions to provident and other funds	17,266,113	12,569,199
Bonus	5,323,328	4,916,712
Allowances	10,540,720	8,933,585
Leave encashment	3,371,213	2,602,191
Ex-gratia	1,398,122	1,941,179
Canteen Subsidy	475,887	446,870
Family planning	73,851	81,806
Staff welfare expenses	1,971,747	1,385,208
Total	150,388,448	105,900,954

Note 24 Finance costs

Amt. In ₹

Particulars	As at 31 March, 2014	As at 31 March, 2013
Interest expense on Borrowings	16,982,967	17,582,556
Total	16,982,967	17,582,556

Note 25 Other expenses

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Consumption of stores and spare parts	3,021,027	2,084,575
Other Manufacturing Expenses	11,730,538	7,257,759
Consumption of packing materials	20,850,315	13,953,112
Excise Duty (net)		1,909,627
Power and fuel	9,830,729	7,953,517
Rent including lease rentals	1,039,188	1,731,205
Repairs and maintenance - Buildings	709,370	513,331
Repairs and maintenance - Machinery	1,539,007	1,009,796
Repairs and maintenance - Others	5,386,708	4,334,277
Insurance	768,025	538,113
Rates and taxes	871,122	1,445,054
Postage, Telegram and Telephone	1,588,333	1,650,462
Travelling and conveyance	1,938,963	1,586,293
Printing and stationery	448,106	382,463
Freight and forwarding	8,075,641	3,985,784
Sales commission	3,748,983	7,615,376
Sales discount	-	-
Business promotion :Sales Promotion	266,031	200,591
Advertisement	163,593	500,146
Donations and contributions	84,501	116,385
Legal and professional	2,428,225	1,185,629
Payments to auditors	112,360	112,360
Amortisation of share issue expenses and discount on shares	111,568	227,560
Loss on fixed assets sold / scrapped / written off	-	3,000
Prior period items (net)	-	-
Miscellaneous expenses		
Bank Charges	1,818,305	1,710,395
Entertainment Expenses	115,563	103,656
AGM Expenses	86,060	68,830
Exchange Rate Diff	639,565	-
Festival Expenses	228,640	340,223
Loss by Fire	3,584,760	-
Service Tax	412,226	374,719
Security Service Charges	1,793,324	1,753,215
Books & Periodicals	4,590	7,585
Rebate & Discount	717,614	-
Other Misc. Expense	187,680	209,387
Total	84,300,660	64,864,425

NOTE-26 Additional Information to the Financial Statement**(a) CIF value of imports**

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Raw materials	112,173,577	45,564,142
Components	199,217	10,466
Packing	139,433	-
Capital Goods	698,580	-
Total	113,210,807	45,574,608

(b) Details of consumption of imported and indigenous items

Particulars		For the year ended 31 March, 2014	
		Rupees	%
<u>Imported</u>			
Raw materials	Current year	112,173,577	30.31
	Previous Year	45,564,142	19.00
Components	Current year	199,217	6.59
	Previous Year	10,446	1.00
<u>Indigenous</u>			
Raw materials	Current year	257,884,472	69.69
	Previous Year	194,798,901	81.00
Components	Current year	2,821,810	93.41
	Previous Year	2,074,129	99.00

(c) Earnings in foreign exchange

Particular	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Export of goods calculated on FOB basis	29,581,363	60,416,029

Note 27 Earnings per share

Particulars	Amt. In ₹ (Except Shares)	
	As at 31 March, 2014	As at 31 March, 2013
Net profit / (loss) for the year from continuing operations	13,846,991	8,293,711
Weighted average number of equity shares	3,252,400	3,252,400
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	4.26	2.55

Note 28 Deferred tax Assets/Liability

Particulars	Amt. In ₹	
	As at 31 March, 2014	As at 31 March, 2013
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	555,458	293,901
<u>Tax effect of items constituting deferred tax liability</u>	555,458	293,901
<u>Tax effect of items constituting deferred tax assets</u>		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(424,852)	82,496
Tax effect of items constituting deferred tax assets	(424,852)	82,496
Net deferred tax liability / (asset)	980,310	211,405

Note 29

The Company is in the business of manufacturing and dealing in footwear only which is in context to Accounting Standard AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is the only business segment.

Note 30**Related Party Transaction**

Disclosure of Related party transaction in accordance with the Accounting Standard 18 (A S 18) "Related Party Disclosure" issued by the institute of Chartered Accountants of India. In sub Head transaction

Party	Relationship	Nature of Transaction	Amount ₹
Bawa Skin Co.	Common KMP	Rent	600,000/-

Note 31

As per the information available with the Company there are no dues outstanding including interest as on 31st March, 2014 to small, medium and micro enterprises, as defined under Micro Small and Medium enterprises Development Act, 2006.

Note 32

There are no amounts due and outstanding to be credited to Investor Education Protection Fund.

Note 33

The Contingent Liabilities as per AS 29 of ICAI are as under

Bank Guarantee (₹)	6,889,539
Letter of credit (₹)	12,320,916

Note 34

The previous year's figures have been reworked, regrouped and reclassified wherever necessary.

Note 35

Director's Remuneration ₹ 5.01 Lacs.

Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		17310903		10368177
<u>Adjustments for:</u>				
Depreciation and amortisation	12077263		13948317	
Amortisation of share issue expenses and discount on shares	111568		227560	
(Profit) / loss on sale / write off of assets	-593551		3000	
Finance costs	16982967		17582556	
Interest income	-513180		-1253467	
Dividend income	-7500		-4500	
Net (gain) / loss on sale of investments			0	
Liabilities / provisions no longer required written back		28057567	16300	30519766
Operating profit / (loss) before working capital changes		45368470		40887943
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-83117229		-1818099	
Trade receivables	13091192		-21574977	
Short-term loans and advances	-9836030		145290	
Long-term loans and advances	425885		-510000	
Other current assets	14362891		-8098476	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	41377129		-1134749	
Other current liabilities	6105409		-14269739	
Other long-term liabilities			0	
Short-term provisions	-12001270	-29592023	2058165	-45202585
Cash generated from operations		15,776,447.00		(4,314,642.00)
Prior Period Expenses		(1,385,190.00)		
Net income tax (paid) / refunds		-4200000		-4200000
Net cash flow from / (used in) operating activities (A)		10,191,257.00		(8,514,642.00)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-14249005		-10308886	
Proceeds from sale of fixed assets	1623371		3533645	
Purchase of Long term Investment			0	
Proceeds From The Sale of Long Term Investment			1721115	
Interest Received	513180		1253467	
Dividend received	7500	-12104954	4500	-3796159
Net cash flow from / (used in) investing activities (B)		-12104954		-3796159

Sarup Industries Limited

C. Cash flow from financing activities				
Repayment of long-term borrowings	-7144404		-7205512	
Net increase / (decrease) in working capital borrowings	-973157		45725526	
Repayment of other short-term borrowings			0	
Finance cost	-16982967		-17582556	
Dividends paid	-4878600		-4878600	
Tax on dividend	-791431		-791431	
Net cash flow from / (used in) financing activities (C)		-30770559		15267427
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-32684256		2956626
Cash and cash equivalents at the beginning of the year		40748255		37791629
Cash and cash equivalents at the end of the year		8063999		40748255
(a) Cash on hand		18023		48532
(b) Cheques, drafts on hand				0
(c) balances With Banks (i) Current Account		3289593		32520091
(ii) EEFC Account				0
(d) FDRs With Schedule Banks		4756383		8179632
		8063999		40748255
In terms of our report attached.				
For Y.K. Sud & Co;		For and on behalf of the Board of Directors		
Chartered Accountants				
Prop.		Sd/-	Sd/-	
Jalandhar, 29th May, 2014		Atamjit Singh Bawa	Manjit Bawa	
		Managing Director	Director	

SARUP INDUSTRIES LIMITED**CIN:** L19113PB1979PLC004014**Regd. Office:** Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab, India.**Tel No:** (91 181) 2271556/7/8 **Fax No:** (91 181) 2277557,**Website:** www.lotusbawa.in **E-mail:** shareholders@bawastl.com**RTA:** Skyline Financial Services (P) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020**PROXY FORM**

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

Name of the Member(s):

Registered address:

E-Mail Id:

Folio No. / Client Id:

DP Id:

I/We, being the member(s) of..... shares of the above named Company, hereby appoint

1. Name: Address:

E-Mail Id:Signature:

2. Name: Address:

E-Mail Id:Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held at Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab, at 10:30 a.m. on Monday, the 29th day of September, 2014 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Ordinary Resolution(s)	For	Against	Abstain
1. Adoption of the audited Balance Sheet as at and the Financial Statements for the financial year ended on March 31, 2014 and Reports of the Directors and Auditors thereon.			
2. Declaration of Dividend			
3. Re-appointment of Director Mrs. Manjit Bawa who retires by rotation.			
4. Appointment of Statutory Auditors and fixing their remuneration.			

Special Business -----Ordinary Resolution(s)	For	Against	Abstain
5. Appointment of Col. Gurcharan Singh as Independent Director			
6. Appointment of Col. Gurcharan Singh as Independent Director			
7. Appointment of Sh. G.S. Bedi as Independent Director			
Special Business -----Special Resolution(s)			
8. Borrowings/Financial Assistance			
9. Creation of Charge on Borrowings/Financial Assistance			
10. Alteration of Articles of Association of Company			

Signed thisday of 2014

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

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

Note:

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

THIS PORTION IS INTENTIONALLY LEFT BLANK

SARUP INDUSTRIES LIMITED

CIN: L19113PB1979PLC004014

Regd. Office: Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab, India.

Tel No: (91 181) 2271556 **Fax No:** (91 181) 2277557

Website: www.lotusbawa.in **E-mail:** shareholders@bawastl.com

Share Transfer Agent: Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020

ATTENDANCE SLIP

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company held at registered office of the Company at M/s Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab at 10:30 AM on Monday, 29th day of September, 2014.

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

Notes:

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