

SARUP INDUSTRIES LIMITED

36th ANNUAL REPORT AND ACCOUNTS 2014-2015

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 ON OUR E-MAIL ID AT 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 WITH YOUR DEPOSITORY PARTICIPANT.

WE SINCERELY LOOK FORWARD TO YOUR SUPPORT IN THIS INITIATIVE.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. ATAMJIT SINGH BAWA
(Managing Director)

MR. SIMERJIT SINGH BAWA
(Whole-Time Director)

MS. MANJIT BAWA
(Non-Executive Director)

MR.SURAT SINGH BAJWA
(Independent Director)

MR.GURCHARAN SINGH
(Independent Director)

MR.GURENDRA SINGH BEDI
(Independent Director)

MR.ASHWANI ARORA
(Director)

MR.LAJPAT SANGWAN
(Additional Director)

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.)

COMPANY SECRETARY

MS. MEGHA GANDHI

CHEIF FINANCIAL OFFICER

MR. RAMESH CHAND SHARMA

AUDITORS

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

BANKERS

- (1) STATE BANK OF INDIA
SCB, CIVIL LINES,
JALANDHAR-144001
- (2)STATE BANK OF INDIA
MEHATPUR BRANCH,
UNA. H.P

LEGAL ADVISOR

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

REGISTRAR & TRANSFER AGENTS

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

REGISTERED OFFICE

P.O. RAMDASPURA,
JALANDHAR-144003
PUNJAB (INDIA)
PH NO-0181-2271556/7/8
E-MAIL-shareholders@bawastl.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **36th (Thirty Sixth)** 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 **Tuesday, the 29th day of September, 2015 at 11.00 a.m.** for the transaction of the following businesses:

ORDINARY BUSINESS

Item No.1- Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015, together with the Reports of the Directors and the Auditors thereon.

Item No.2- Declaration of Dividend

To declare a dividend for the Financial Year ended 31st March, 2015.

Item No.3- Retire By Rotation

To appoint a Director in place of Ms. Manjit Bawa (DIN: 00851617) who retires by rotation and being eligible, offers herself for re-election.

Item No.4- Ratification of Appointment of Auditors

To ratify the appointment of Auditors, to hold office for 3 (Three) consecutive years from the conclusion of 35th Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company in the Calendar year 2017 subject to the approval of shareholders at the Annual General Meeting and in this regard, to consider and, if thought fit, to pass, with or without modification (s) the following resolution thereof as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 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, who were appointed as Auditors of the Company, to hold office from the conclusion of 35th Annual General Meeting, for three consecutive years until the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2017, be and is hereby ratified by the shareholders in this 36th Annual General Meeting of the Company and that they shall be paid such remuneration as fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

Item No.5- Appointment of Director

To appoint Mr. Lajpat Sangwan (DIN: 07035654) as a Director 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 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, Mr. Lajpat Sangwan (DIN: 07035654), who was appointed as an Additional Director of the Company by the Board of Directors on December 23, 2014 and who holds office up to the date of this Annual General meeting and in respect of

whom the Company has received a notice in writing from a member proposing the candidature of Mr. Lajpat Sangwan for the office of the Director of the Company, be and is hereby elected and appointed as an Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

Item No.6- Re-appointment of Managing Director

To approve continuation of the employment of Mr. Atamjit Singh Bawa (DIN: 00807400) as a Managing Director 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** subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment and remuneration of Mr. Atamjit Singh Bawa (DIN: 00807400) as the Managing Director of the Company under the Companies Act, 2013 to be designated as Managing Director for a period of five years with effect from 1st October, 2015 to 30th September, 2020 (both days inclusive), on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Atamjit Singh Bawa, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

Item No.7- Re-appointment of Whole-Time Director

To approve continuation of the employment of Mr. Simarjit Singh Bawa (DIN: 00851651) as a Whole-Time Director 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** subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such

approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment and remuneration of Mr. Simarjit Singh Bawa (DIN: 00851651) as the Whole-Time Director of the Company under the Companies Act, 2013 to be designated as Whole-Time Director for a period of five years with effect from 1st October, 2015 to 30th September, 2020 (both days inclusive), on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Simarjit Singh Bawa, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

Item No.8- Appointment of Independent Director

To appoint Mr. Ashwani Arora (DIN: 01809365) as an Independent Director 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Ashwani Arora (DIN: 01809365), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 29th September, 2015 to 28th September, 2020 (both days inclusive).

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

Item No.9- Appointment of Independent Director

To appoint Mr. Surinder Singh Cheema as an Independent Director 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Surinder Singh Cheema, a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 29th September, 2015 to 28th September, 2020 (both days inclusive).

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors
for Sarup Industries Ltd

Atamjit Singh Bawa
Managing Director

Place: Jalandhar
Date: 28.08.2015

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/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
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 Wednesday, 23rd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which is 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 or Section 205A of the Companies Act, 1956, as may be applicable, on the respective dates mentioned below. Please note that as per above mentioned act(s), 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
31.03.2008	25th October, 2015	31.03.2012	27th October, 2019
31.03.2009	28th October, 2016	31.03.2013	26th October, 2020
31.03.2010	28th October, 2017	31.03.2014	28th October, 2021
31.03.2011	28th October, 2018		

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

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

- (i) their email id.
 - (ii) all changes with respect to their address, email id, ECS mandate and bank details.
- Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/ Depository Participant, as the case may be.
13. shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.

REMOTE 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 ('remote 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 36th Annual General Meeting (AGM) of the Company inter-alia indicating the process and manner of remote e-voting is being sent to all the Members.
 3. NSDL shall be sending the User ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants. For members who have not registered their email address, can use the details as provided in this document.
 4. Open the internet browser and type the following URL: www.evoting.nsdl.com
 5. Click on Shareholder-Login
 6. Put User ID and Password as provided in this document and click Login. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password for the Login.
 7. If you are logging in for the first time, the Password change menu will appear. Change the Password with new Password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 8. Once the remote e-voting home page opens, click on remote e-voting: Active Voting Cycles.
 9. Select "EVEN (Electronic Voting Event Number)" of SARUP INDUSTRIES LIMITED.
 10. Once you enter the Cast Vote page will open. Now you are ready for remote e-voting.
 11. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 12. Upon confirmation, the message "Vote cast successfully" will be displayed.
 13. Once you have voted on the resolution, you will not be allowed to modify your vote.
- 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 remote e-voting can use their existing user ID and password for Login.**
Thereafter, please follow the steps as per instruction given overleaf on separate sheet, to cast your vote.
- C. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and remote e-voting User Manual for Shareholders available under the Downloads section**

of NSDL's remote e-voting website www.evoting.nsdl.com You may also address your queries relating to remote e-voting to the e-mail ID shareholders@bawastl.com

D. The period for remote e-voting starts at IST 9.00 a.m. on Saturday, 26th September, 2015 and ends at IST 5.00 p.m. on Monday, 28th September, 2015.

Remote e-voting shall be disabled by NSDL at IST 5.00 p.m. on Monday, 28th September, 2015.

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 **Tuesday, 22nd September, 2015 (Cut-off Date for Remote E-voting)**.
- (c) Remote 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 remote e-voting will be declared on or after the date of the AGM i.e. Tuesday, 29th September, 2015.** 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 Exchange(s) 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 36th (Thirty Sixth) Annual General Meeting to be held on Tuesday, 29th September, 2015.

ITEM NO. 5

Mr. Lajpat Sangwan, aged 42 years is a Professional and Additional Director of a Company. He is managing the manufacturing unit established at Una (H.P.) as Senior Manager Production of a Company. He has done a Diploma in Footwear Design & Production. He specializes in footwear designing & its allied areas and has many years of experience.

Mr. Lajpat Sangwan who has been appointed as an Additional Director in the category of Executive Director of the Company pursuant to Section 161 of the Companies Act, 2013 w.e.f. 23rd December, 2014 and holds office till the conclusion of this Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Lajpat Sangwan as Director and also that he fulfills the conditions specified in the Companies Act, 2013 for his appointment.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Company has nominated Mr. Lajpat Sangwan and the Board of Directors has recommended his appointment as Executive Director of the Company at their meetings held on Wednesday, August 26, 2015 & Friday, August 28, 2015 respectively, subject to the approval of members of the Company at its 36th Annual General Meeting at the remuneration fixed as under:

- (a) Salary: ₹ 18000/- (Rupees Eighteen Thousand Only) per month. In the scale of ₹ 16000-20000
- (b) Perquisites/allowances will be in addition to salary.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise except Mr. Lajpat Sangwan in the Resolution at Item No. 5 of the Notice.

ITEM NO. 6

Mr. Atamjit Singh Bawa, aged 64 years, is a co-promoter and Managing Director of the Company. He is managing the whole of the affairs of the Company. He has technical and administrative experience of more than 30 years in the Company.

His current term of appointment as a Managing Director of the Company will expire on 30th September, 2015. He has excellent grasp and thorough knowledge & experience. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Atamjit Singh Bawa should be available to the Company for a further period of five years with effect from 1st October, 2015.

Mr. Atamjit Singh Bawa holds 1531754 shares in the Company.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Company has nominated Mr. Atamjit Singh Bawa and the Board of Directors has recommended his re-appointment as Managing Director of the Company at their meetings held on Wednesday, August 26, 2015 & Friday, August 28, 2015 respectively, subject to the approval of members of the Company at its 36th Annual General Meeting for a further period of five years with effect from 1st October, 2015 at the remuneration fixed as under:

- (a) Salary: ₹ 16500/- (Rupees Sixteen Thousand Five Hundred Only) per month. In the scale of ₹16000-20000
- (b) Perquisites/allowances will be in addition to salary.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise except Mr. Atamjit Singh Bawa in the Resolution at Item No. 6 of the Notice.

ITEM NO. 7

Mr. Simarjit Singh Bawa, aged 43 years, is a co-promoter and Whole-Time Director of the Company. He has attained expertise in designing and development of shoes and also in marketing activities. He has done a shoe-designing course from ARS Sutoria, Istituto Tecnico Internazionale Arte Calzaturiera, Milan, Italy and has done practical training with leading shoe manufacturer in Europe. He is rendering excellent services in product designing and development to the Company since 1995.

His current term of appointment as a Whole-Time Director of the Company will expire on 30th September, 2015. The Board of Directors has considered that for smooth and efficient running of the business of the Company, the services of Mr. Simarjit Singh Bawa should be available to the Company for a further period of five years with effect from 1st October, 2015.

Mr. Simarjit Singh Bawa holds 486646 shares in the Company.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Company has nominated Mr. Simarjit Singh Bawa and the Board of Directors has recommended his re-appointment as Whole-Time Director of the Company at their meetings held on Wednesday, August 26, 2015 & Friday, August 28, 2015 respectively, subject to the approval of members of the Company at its 36th Annual General Meeting for a further period of five years with effect from 1st October, 2015 at the remuneration fixed as under:

- (a) Salary: ₹ 22300/- (Rupees Twenty Two Thousand Three Hundred Only) per month. In the scale of ₹ 20000-25000
- (b) Perquisites/allowances will be in addition to salary.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise except Mr. Simarjit Singh Bawa in the Resolution at Item No. 7 of the Notice.

ITEM NO. 8

Mr. Ashwani Arora, aged 43 years is a professional and Director of the Company. He is spearheading entire gamut of Accounting & Finance Operations of the Company. He is a qualified Chartered Accountant with 18 years of post qualification experience in Strategic Planning, Accounts & Finance, Reporting, Taxation / Statutory Compliance, Auditing & Financial Management, Budgeting and Inventory / Fund / Working Capital Management, Costing and cost control. He is rendering excellent services to the Company since 2007.

In terms of the provisions of the Companies Act, and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9th June, 2014, Company is required to appoint its Independent Director including its existing Independent Directors, the Nomination and Remuneration Committee of the Company has nominated Mr. Ashwani Arora and the Board of Directors has recommended his appointment as Independent Director of the Company at their meetings held on Wednesday, July 22, 2015 & Thursday, August 13, 2015 respectively, subject to the approval of members of the Company at its 36th Annual General Meeting for a period for 5 (five) years starting from 29th September, 2015 to 28th September, 2020 (both days inclusive) and the term of such appointment as Independent director is not liable to determination by rotation.

The Company has received from Mr. Ashwani Arora the following:-

- (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 he meets 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 Mr. Ashwani Arora 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.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise except Mr. Ashwani Arora in the Resolution at Item No. 8 of the Notice.

ITEM NO. 9

Mr. Surinder Singh Cheema, aged 75 years is a retired Colonel from Army and has done Ph.D, M.Tech, BSC (Hons.), Advance Mechanical Engineering from PTS College & Advanced Studies, Philippines.

In terms of the provisions of the Companies Act, and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9th June, 2014, Company is required to appoint its Independent Director, including its existing Independent Directors, the Nomination and Remuneration Committee of the Company has nominated Mr. Surinder Singh Cheema and the Board of Directors has recommended his appointment as Independent Director of the Company at their meetings held on Wednesday, July 22, 2015 & Thursday, August 13, 2015 respectively, subject to the approval of members of the Company at its 36th Annual General Meeting for a period for 5 (five) years starting from 29th September, 2015 to 28th September, 2020 (both days inclusive) and the term of such appointment as Independent director is not liable to determination by rotation.

The Company has received from Mr. Surinder Singh Cheema the following:-

- (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 he meets 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 Mr. Surinder Singh Cheema 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.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise except Mr. Surinder Singh Cheema in the Resolution at Item No. 9 of the Notice.

By Order of the Board of Directors
for Sarup Industries Ltd

Atamjit Singh Bawa
Managing Director

Place: Jalandhar
Date: 28.08.2015

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting their 36th Annual Report on the Business and Operations and the accounts for the Financial Year ended 31st March, 2015 of the Company.

1. FINANCIAL RESULTS

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

	(Fig in ₹ Lacs)	(Fig in ₹ Lacs)
	Year ended March 31st 2015	Year ended March 31st 2014
Sales of products and services	6958.00	5857.07
Other Income	31.89	102.13
Total Income	6989.89	5959.20
Total Expenditure other than Interest and Depreciation	6369.17	5495.49
Profit before Interest, Depreciation and Tax	620.72	463.71
Depreciation and Amortization Expenses	181.92	120.77
Profit before Interest and Tax	438.80	342.94
Finance Cost (net)	184.51	169.83
Profit before Tax	254.29	173.11
Provision for Current Tax	50.86	34.64
Provision for Deferred Tax	0	0
Net Profit	203.43	138.47
Adjustments in respect of prior years	418.86	13.85
Surplus brought forward	686.81	673.22
Profit after Tax available for appropriation	471.38	797.84
Your Directors recommend appropriation as under:		
Proposed Dividend on Equity Shares	58.54	58.54
Dividend Tax on Proposed Dividend	11.69	9.50
Transfer to General Reserve	25.00	25.00
Income Tax /TDS/ wealth Tax Provision	-0.33	17.99
Surplus Carried Forward	376.48	686.81
Total Appropriation	471.38	797.84

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

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

- Revenue from operations increased by 17.05% to ₹ 69,64,73,967
- Profit before tax increased by 46.90% to ₹ 2,54,29,521
- Net profit increased by 46.91% to ₹ 2,03,43,521
- Sales increased by 18.80% to ₹ 69,58,00,526

3. PROPOSED TRANSFER TO GENERAL RESERVES

As per section 134(3) (j) of Companies Act, 2013, the amount of ₹ 25 lacs has transferred to the General Reserve.

4. DIVIDEND

The Directors recommended dividend of ₹ .80/- i.e.18% per share on Equity shares for the year ended 31st March 2015, which will attract dividend tax of ₹ 11.69 lacs. The total payout will be ₹ 58.54 lacs.

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

Company has resumed the remaining Construction Work of the Mall Project at P.O. Ramdaspora, Jalandhar from February, 2015. The Company alongwith M/s. EMAAR MGF Land Limited has inked an Agreement with M/s. Shalimar Corp Limited to carry on the further development work of the Project. The Construction activities for the Completion of the said Project have now been put into operation and necessary steps have been taken to complete the said project at the earliest.

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

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

7. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY

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

- a. High competition from East European countries and other Asian countries.
- b. Lack of strong presence in the global fashion market.
- c. International price fluctuation.
- d. Lack of warehousing support from the government.

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

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

9. CORPORATE SOCIAL RESPONSIBILITY

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

10. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the

Companies (Management and Administration) Rules, 2014 is furnished in **Annexure "B"** as Form MGT-9 and is attached to this Report.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188 of Companies act, 2013 is furnished in **Annexure "C"** as Form AOC-2 and is attached to this report.

12. DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

14. DEPOSITS

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

15. BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS

a) Board Meetings

The Board of Directors of the Company met 9 (nine) times during the financial year 2014-15. The details of various Board Meetings are provided in the Corporate Governance Report.

b) Changes In Directors And Key Managerial Personnel

Mr. Lajpat Sangwan was appointed as additional director in a company w.e.f. 23.12.2014 and who holds office up to the date of this Annual General Meeting and in respect of whom

the Company has received a notice in writing from a member proposing the candidature as an Executive Director.

During the year, following are appointed as KMPs of company:-

1. Mr. Atamjit Singh Bawa (Managing Director)
2. Mr. Ramesh Chand Sharma (Chief Financial Officer)
3. Mr. Amit Kumar (Company Secretary)*
4. Ms. Megha Gandhi (Company Secretary)**

*Mr. Amit Kumar had resigned from the post of Company Secretary-cum-Compliance Officer and KMP of a Company w.e.f. 15.06.2015.

** Ms. Megha Gandhi has appointed for the post of Company Secretary-cum-Compliance Officer and KMP of a Company w.e.f. 01.08.2015 & 13.08.2015 respectively..

c) Independent Directors

The following Independent Directors who were re-appointed as per the provisions of Companies Act, 2013, at the 35th Annual General Meeting held on 29th September 2014 for a period of 5 (five) years, till the conclusion of 40th Annual General Meeting to be held in the calendar year 2019 as under:-

- Mr. Gurcharan Singh
- Mr. Surat Singh Bajwa
- Mr. Gurendra Singh Bedi

The Company has received declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the above Act.

d) Details of Ratio of Remuneration to Directors

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

e) Board Committees

The Board has constituted 4 committees which are as follows:-

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

f) Board Evaluation

As required under the provisions of Section 134(3)(p) and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance and the manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration Committee shall carry out evaluation of Director's performance.

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

i) Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied to have access for the same.

j) Related Party Transactions

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

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per Section 186 of the Companies Act, 2013, no loans, guarantees and investments made by the company during the financial year 2014-15.

17. STATUTORY AUDITORS

M/s Y.K. Sud & Co., Jalandhar, Chartered Accountants who are the Statutory Auditors of the Company hold office as Statutory Auditors until the conclusion of the 38th Annual General Meeting of the Company to be held in the calendar year 2017.

Their appointment is subject to ratification by the members at the 36th Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

18. CORPORATE GOVERNANCE

Your Company has been complying with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. A separate report on Corporate Governance along with Auditors' certificate on compliance of the Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.

The Register of Members and Share Transfer books of the company will be closed with effect from Wednesday, 23rd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive).

19. Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The following is the summary of the complaints received and disposed off during the financial year 2014-15:

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

20. LISTING FEES

The Company confirms that it has paid the annual listing fees for the financial year 2015-16 with its Stock Exchange(s).

21. ACKNOWLEDGEMENTS

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

By Order of the Board of Directors
of Sarup Industries Ltd

Place: Jalandhar
Date: 28.08.2015

Manjit Bawa

Chairperson

Atamjit Singh Bawa

Managing Director

ANNEXURE 'A'
Forming Part of the Directors' Report

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

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

A) Conservation of Energy

1) Energy Conservation measures undertaken: -

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

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

2) Additional investments and proposals:

- I. Replacement of conventional lighting with energy efficient LED lights to reduce lighting power consumption.
- II. Company is trying to reduce its expenses of energy consumption.
- III. Expenditure on power and fuel during the year ending 31st March, 2015 under review is ₹ 88.02 lacs as compared to ₹ 98.30 lacs during year ending 31st March, 2014.

B) Technology Absorption

(i) Efforts, in brief made towards absorption:

Induction of contemporary technology and continuous improvement projects across businesses towards reducing process variability, cycle time and wastage while enhancing manufacturing productivity. The Company is using the modern technology in the manufacturing process. As a result there has been a marked Improvement in the quality of the products manufactured by the Company besides lowering the cost of production. The technology has been fully absorbed.

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

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

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

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

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

The details of which are as follows:-

S. No.	Details of Technology Imported	Technology Import from	Year of Import	Status Implementation/ Absorption
1.	4 set of Vulcanizing Press for Automatic Rubber Compression Molding Machine for Rubber Outsole	Taiwan	2015	Already in operations
2.	PVC Direct Injection Soling Machine	Taiwan	2015	Already in operations
3.	One screen Printing Dryer Machine	Hong Kong	2014	Already in operations
4.	EVA Filler Mould	Vietnam	2013	Already in operations

(iii) Expenditure incurred on Research & Development

S. No.	Particulars	Amount (in ₹)
1.	Capital	14,44,320
2.	Revenue	-

(iv) Foreign Exchange Earnings and Outgo

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

ANNEXURE 'B'
Forming Part of the Directors' Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2418500	-	2418500	74.36	2418500	-	2418500	74.36	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A)	2418500	-	2418500	74.36	2418500	-	2418500	74.36	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									

Sarup Industries Limited

i) Indian	43144	5000	48144	1.48	62192	5000	67192	2.07	0.59
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	334021	156348	490369	15.08	345079	150088	495167	15.22	0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	248222	15600	263822	8.11	234345	15600	249945	7.68	-0.43
c) Others (specify)									
Non Resident Indians	23107	-	23107	0.71	3951	-	3951	0.12	-0.59
Hindu Undivided Family	8458	-	8458	0.26	9915	-	9915	0.30	0.40
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	7730	-	7730	0.24	0.24
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	656952	176948	833900	25.64	663212	170688	833900	25.64	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	656952	176948	833900	25.64	663212	170688	833900	25.64	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0		0	0	0	0	
Grand Total (A+B+C)	3075452	176948	3252400	100.00	3081712	170688	3252400	100.00	0

B) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MANJIT BAWA	400100	12.30	400100	400100	12.30	0	0
2	SIMARJIT SINGH BAWA	486646	14.96	486646	486646	14.96	0	0
3	ATAMJIT SINGH BAWA	1531754	47.10	1531754	1531754	47.10	0	0

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

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

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

S. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (1.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company				No. of shares at the beginning (1.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company
1	Sangeetha S	26440	0.81	31/03/2014				
				16/05/2014	5400	Purchase	31840	0.98
				23/05/2014	1960	Purchase	33800	1.04
				30/05/2014	470	Purchase	34270	1.05
				13/06/2014	900	Purchase	35170	1.08
				20/06/2014	990	Purchase	36160	1.11
				30/06/2014	990	Purchase	37060	1.14
				25/07/2014	900	Purchase	40300	1.24
				17/10/2014	3240	Purchase	40530	1.25
				24/10/2014	230	Purchase	40585	1.25
				31/10/2014	55	Purchase	42190	1.30
				14/11/2014	1605	Purchase	50290	1.55
		50290	1.55	31/03/2015	8100		50290	1.55
2	Puneet Dewan	31443	0.97	31/03/2014				
				04/04/2014	99	Purchase	31542	0.97
				04/11/2014	1334	Purchase	32876	1.01
				18/04/2014	1250	Purchase	34126	1.05
				25/04/2014	2250	Purchase	36376	1.12
				16/05/2014	75	Purchase	36451	1.123
		36451	1.12	31/03/2015			36451	1.12
3	Raj Karni Dua	27608	0.85	31/03/2014				
				25/07/2014	21656	Purchase	49264	1.51
				31/12/2014	2229	Purchase	51493	1.58
				23/01/2015	1615	Purchase	53108	1.63
				13/02/2015	(12500)	Sale	40608	1.25
				20/02/2015	(14908)	Sale	25700	0.79
		25700	1.12	31/03/2015			25700	0.79
4	Rang Lal Arora	0	0.00	31/03/2014				

		25000	0.77	31/03/2015	25000	Purchase	25000	0.77
5	R L Arora	16400	0.50	31/03/2014				
				30/05/2014	(15000)	Sale	1400	0.04
				27/03/2015	27510	Purchase	28910	0.89
		23910	0.74	31/03/2015	(5000)	Sale	23910	0.74
6	Ramakant & Co Pvt Ltd	21850	0.67	31/03/2014				
				30/06/2014	650	Purchase	22500	0.69
				11/07/2014	250	Purchase	22750	0.70
				19/09/2014	1053	Purchase	23803	0.73
		23803	0.73	31/03/2015			23803	0.73
7	Shashi Kant	0	0.00	31/03/2014				
				06/06/2014	20000	Purchase	20000	0.61
		20000	0.61	31/03/2015			20000	0.61
8	Vandna	0	0.00	31/03/2014				
				06/06/2014	20000	Purchase	20000	0.61
		20000	0.61	31/03/2015			20000	0.61
9	Manoj Dua	50411	1.55	31/03/2014				
				31/12/2014	19044	Purchase	69455	2.14
				13/02/2015	(5704)	Sale	63751	1.96
				23/02/2015	(44457)	Sale	19294	0.59
		19044	0.59	27/02/2015	(250)	Sale	19044	0.59
							19044	0.59
10	Pawan Kumar	15600	0.48	31/03/2014				
					0	No Movement		
		15600	0.48	31/03/2015			15600	0.48

E) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (1.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company				No. of shares at the beginning (1.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company
1	Atamjit Singh Bawa	1531754	47.10	31/03/2014				
					0	No Movement		
		1531754	47.10	31/03/2015			1531754	47.10
2	Manjit Bawa	400100	12.30	31/03/2014				
					0	No Movement		
		400100	12.30	31/03/2015			400100	12.30
3	Simarjit Singh Bawa	486646	14.96	31/03/2014				
					0	No Movement		
		486646	14.96	31/03/2015			486646	14.96
4	Gurendra Singh Bedi	200	0.0061	31/03/2014				
					0	No Movement		
				31/03/2015			200	0.0061

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

	Secured Loans excluding deposits (in ₹ Lacs)	Unsecured Loans (in ₹ Lacs)	Deposits (in ₹ Lacs)	Total Indebtedness (in ₹ Lacs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	215.83	41.02		256.85
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	215.83	41.02		256.85
Change in Indebtedness during the financial year				
* Addition	189.62	213.54		403.16
* Reduction	85.12	0		85.12
Net Change	104.50	213.54		318.04
Indebtedness at the end of the financial year				
i) Principal Amount	320.33	254.56		574.89
ii) Interest due but not paid	-	4.49		4.49
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	320.33	259.05		579.38

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Atamjit Singh Bawa	Simarjit Singh Bawa	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,98,000	2,67,600	4,65,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,58,090	1,56,000	5,14,090
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	5,56,090	4,23,600	9,79,690
	Ceiling as per the Act*			

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

B. Remuneration to other directors					(Fig. in ₹)
S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Surat Singh Bajwa	Gurcharan Singh	Gurendra Singh Bedi	
1	Independent Directors	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act*				

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

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN

MD/MANAGER/WTD

(Fig. in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,000	2,40,000	3,36,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,46,000	3,60,000	6,06,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	3,42,000	6,00,000	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE 'C'
Forming Part of the Directors' Report

Form No. AOC-2

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

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

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

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

- (a) Name(s) of the related party and nature of relationship- NIL
- (b) Nature of contracts/arrangements/transactions- NIL
- (c) Duration of the contracts / arrangements/transactions- NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any- NIL
- (e) Date(s) of approval by the Board, if any- NIL
- (f) Amount paid as advances, if any- NIL

By Order of the Board of Directors
of Sarup Industries Ltd

Place: Jalandhar
Date: 28.08.2015

Manjit Bawa

Chairperson

Atamjit Singh Bawa

Managing Director

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

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

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Ratio to the Median		
	Mr. Simarjit Singh Bawa, Executive Director	2.78		
	Mr. Lajpat Sangwan, Executive Director	3.65		
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Directors & Key Managerial Personnel	% increase		
	Mr. Atamjit Singh Bawa, Managing Director	-		
	Mr. Simarjit Singh Bawa, Executive Director	39.52		
	Mr. Lajpat Sangwan, Executive Director	-		
	Mr. Ramesh Chand Sharma, Chief Financial Officer Mr. Amit Kumar, Company Secretary	11.11 11.76		
(iii) the percentage increase in the median remuneration of employees in the financial year;	10.77%			
(iv) the number of permanent employees on the rolls of company;	1095			
(v) the explanation on the relationship between average increase in remuneration and company performance;	This is based upon qualification, experience & capabilities.			
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration payable to the Key Managerial Personnel is in accordance with the industry and geographical standards.			
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;		2015	2014	Change
	Market Capitalisation	90.75	29.82	60.93
	P/E Ratio	6.22	14.38	8.16
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in employees: 26.38% Average increase in managerial personnel: 10.40%			
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Mr. Atamjit Singh Bawa, Managing Director, Mr. Ramesh Chand Sharma, Chief Financial Officer and Mr. Amit Kumar, Company Secretary. The remuneration payable to the Key Managerial Personnel is in accordance with the industry and geographical standards.			
(x) the key parameters for any variable component of remuneration availed by the directors;	Variable Pay is in accordance with the performance of the company as well as the individual.			
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	0.92			
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, the remuneration is as per the Remuneration Policy of the Company.			

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2015**

The Members
SARUP INDUSTRIES LIMITED
JALANDHAR

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SARUP INDUSTRIES LIMITED (hereinafter called the Company).

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period from ended on March 31, 2015 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other Laws including Micro, Small and Medium Enterprises Development Act, 2006 applicable to the Company as per representation given by the Company.

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

- (i) Secretarial Standards with respect to Board and General Meetings of The Institute of Company Secretaries of India are not in force as on the date of this report and;
- (ii) The Listing Agreements entered into by the Company with the BSE Limited, Mumbai.

During the period under review and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. Mentioned above subject to the following observations:

- Dividend was declared by the Company at its AGM held on September 29, 2014, and the amount of dividend declared was transferred in the bank account on October 13, 2014
- Cash Flow statement was not uploaded on the BSE website.

We further report that:

- (i) the Board of the company during the year under Audit was not constituted in accordance with Clause 49 of listing agreement. The Board of Directors of the Company comprised of 8 Directors viz. 1 Non-Executive Promoter Chairperson, 1 Managing Director, 1 Whole Time Director, 1 Executive Director , 3 Non-Executive Independent Directors and 1 Non Executive Director (Mr. Ashwani Arora). The Company has appointed Mr. Lajpat Sangwan as an additional Director during the period under review.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Jalandhar
Dated: 25-08-2015

For Dinesh Gupta & Co.
Company Secretaries

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

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

Annexure – A

The Members

SARUP INDUSTRIES LIMITED

We have concluded the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Sarup Industries Limited.

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

Place: Jalandhar
Dated: 25-08-2015

For Dinesh Gupta & Co.
Company Secretaries

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

Explanation/Comments on Secretarial Auditor Report made by Board:

- In regard to Secretarial Audit Report's qualification regarding transfer funds to Dividend Account, the Board hereby places its reply that Company's AGM was held on 29th September, 2014 & last date to transfer funds to Dividend Account was 4th September, 2014. Between day of AGM & last date to transfer dividend, there were 2 Public holidays i.e. on 2nd October, 2014 & 3rd October, 2014 and further there was Saturday on 4th October, 2014 during which most of banks works for half day. Due to such reasons, it becomes difficult for Company to maintain enough liquidity to transfer funds to Dividend Account maintained with bank. This discrepancy was caused inadvertently and the Board shall take care of same in future.
- In respect to Secretarial Auditor's observation regarding cash flow, the Board hereby places its reply that pursuant to Clause 31 of Listing Agreement, a Company have already submitted Annual Report for financial year 2013-2014 containing Cash Flow Statement as its part with BSE within stipulated time. The Board strongly believes that by submitting Cash Flow Statement as a part of Annual Report, it has complied with the requirement of submission of Cash Flow Statement with Stock exchange(s). We have taken note of the observation of Secretarial Auditor & in future Cash Flow Statement shall be submitted separately with stock exchange(s) alongside submission of same as part of Annual Report.
- In respect to Secretarial Auditor's observation regarding non-constitution of Board as per Clause 49 of Listing Agreement, the Board hereby places its reply that there were 8 directors during the financial year 2014-2015. As per Listing Agreement requirements, the Board was required to be constituted with at least 4 Independent Directors. There were 3 Independent Directors in Company. Mr. Ashwani Arora who is Non- Executive Director has continuously maintaining its Independent status since 2012 but not gets confirmed by the directors & members of the Company. During the year, Company was in process to confirm the status of Mr. Ashwani Arora as Independent Director. Further, the Board in their meeting held on 28th August, 2015 has confirmed the status of Mr. Ashwani Arora as Independent director & Mr. Surinder Singh Cheema is also appointed as additional director with Independent status subject to the confirmation of members at ensuing AGM. This discrepancy was caused inadvertently and currently the Board of Company is constituted as per the requirement of Clause 49 of Listing Agreement containing relevant mix of Independent and Executive Directors.

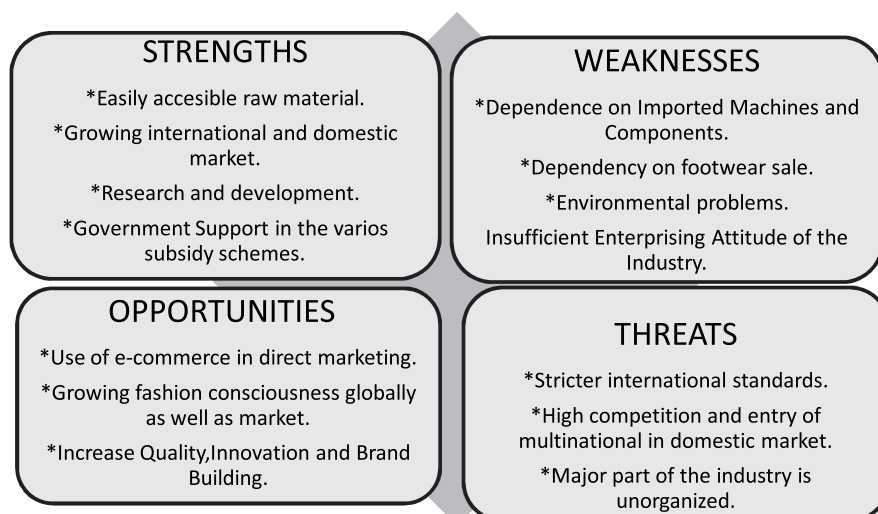
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

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. Over the past few years, in view of a good growth in organizing retailing in India, the overseas footwear manufactures have set their footprints in India through joint venture and other means of collaboration. The Footwear manufacturing sector in India can generate 100% Foreign Direct Investment (FDI) through Automatic Route. The Indian Government is also boosting the Footwear Industry by reducing excise duty on certain category of footwear. Such steps by the Government shall create conducive investment climate towards attracting overseas investments and increasing cost competitiveness. This has increased competition amongst the existing players of the organized Footwear Industry 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.

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.



OUTLOOK

In the transforming era, where footwear industry in India has shown an outgrowth in the recent years due to its increased demand. With the arrival of latest advancements, the growth of non-leather footwear in India has become prominent. The Company has a wide scope for growth of footwear industry with all the positives on its side. Our access to state-of-the art machineries opens up a number of possibilities as a stimulating factor. The way footwear sector has become prominent in the non-leather industry, at present most of footwear brands in India are putting

efforts on deploying resources and producing high-quality and durable non-leather footwear for the entire family

THE CHANGING CONSUMER BEHAVIOUR

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

ANALYSIS OF FINANCIAL CONDITION & RESULTS

During the year 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 ₹6964.7 lacs and profit before tax is Rs. 254.3 lacs for the year ending 31st March, 2015.

ENVIRONMENT PROTECTION

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

RISK MANAGEMENT

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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.

1. THE COMPANY'S PHILOSOPHY

The Company's Philosophy is based on the key elements in corporate governance viz; transparency, disclosure, supervision and internal controls. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We believe that good corporate governance emerges from the application of the best and sound management practices and compliances with the law coupled with adherence to the highest standards of transparency and business ethics. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of knowledge, action and care.

2. BOARD OF DIRECTORS

The Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company. As part of its functions, Board periodically reviews all the relevant information which is required to be placed before it pursuant to Clause 49 of the Listing Agreement and in particular reviews and approves corporate strategies, business plans, and projects. 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 - 4, Non – Executive Directors - 4, Total = 8

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	9	9
2.	Ms. Manjit Bawa	Chairman-Non Executive	9	9
3.	Mr. Simarjit Singh Bawa	Whole Time Director	9	9
4.	Col. Gurcharan Singh	Independent-Non Executive	9	9
5.	Mr. G.S. Bedi	Independent-Non Executive	9	2
6.	Col. Surat Singh Bajwa	Independent-Non Executive	9	9
7.	Mr. Ashwani Kumar Arora	Director	9	9
8.	Mr. Lajpat sangwan*	Additional Director	9	2

*Mr. Lajpat sangwan appointed as Additional Director as on 23-12-2014.

Our Board of Directors met 9 times during the period under review on the following dates: -

1 st May, 2014	29 th May, 2014	19 th July,2014	11 th August, 2014	28 th August, 2014
27 th October,2014	11 th November,2014	23 rd December,2014	13 th February,2015	

3. COMMITTEES OF THE BOARD

a) Audit Committee

The Board has constituted Audit Committee in accordance with the requirements of Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement with Stock Exchanges. The terms of reference of Audit Committee include the powers and role stipulated in Clause 49 III of the Listing Agreement.

Members of the audit committee and the number of meetings attended by each director for the financial year 2014-2015

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 2014-15 on 29th May 2014, 11th August 2014 , 11th November, 2014, and 13th February, 2015

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

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

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 and secretarial auditor, fixation of audit fees and approval for payment for any other services.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit Process.
- Reviewing with management the annual financial statements before submission to the board for approval with particular reference to:
 - i) Change, if any, in accounting policies and practices and reasons for the same.
 - ii) Major accounting entries involving estimates based on exercise of judgment by the management.
 - iii) Significant adjustments made in the financial statements arising out of audit findings.

- iv) Compliance with listing and other requirements relating to financial statements.
- v) Disclosure of any related party transactions.
- Reviewing with the management, the quarterly and yearly financial statement before submission to the Board for approval.
- Reviewing the functioning of the Whistle Blower mechanism.

b) Nomination and Remuneration Committee

Nomination and Remuneration Committee was reconstituted by the Board in the Meeting held on 27th October, 2014, in accordance with the requirements specified under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Key Objectives of the Committee would be:

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

Remuneration Policy

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

Two meetings of this Committee held during the year on 19th July, 2014 and 27th October 2014. Attendance of the directors: -

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

c) Stakeholder's Relationship Committee

Stakeholder's Relationship Committee was reconstituted by the Board in the Meeting held on 27th October, 2014, in accordance with the requirements specified under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

The Committee performs the following functions:

- Transfer/ transmission/ transpositions of shares.
- Dematerialization/ rematerialization of shares.
- Issue of new and duplicate share certificates.

- To look into redressal of shareholders' and investors' complaints like transfer of shares, non- receipt of annual report, non- receipt of declared dividends, etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

Mr. Atamjit Singh Bawa, Mr. Simerjit Singh Bawa and Col. Gurcharan Singh comprise this committee. Three meetings of this Committee took places on 1st October,2014 , 12th January 2015, 10th March,2015 . Attendance of the directors:-

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

d) Risk Management Committee

The Risk Management Committee was constituted by the Board in the meeting held on 27th October, 2014. The primary responsibility of the Committee is to prepare the Risk Management Plan of the Company and to review and monitor the same on regular basis. During the Financial Year 2014-15, the Committee identified and assessed the risks faced by the Company and procedures to mitigate the same.

The role of the Committee is as under

- Preparation of Risk Management Plan, reviewing and monitoring the same on regular basis.
- To report critical risks to Audit Committee in detail on yearly basis.
- To perform such other functions as may be deemed or prescribed fit by the Board

Two meeting of this Committee took place on, 11th November 2014, 13th February, 2015. Attendance of the directors:-

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

4. DISCLOSURES

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

Related party Transactions are defined as transfer of resources, service or obligations between a company and related party, regardless of whether a price is charged. Necessary disclosures under the Accounting Standards 18 relating to the related Party transactions form part of the accounts for the year 2014-15.

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

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

d) **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

e) **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, 2015, is annexed to the Corporate Governance Report.

f) **Whistle blower policy**

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

5. SHAREHOLDERS AND MEANS OF COMMUNICATION

a) **Disclosures regarding appointment or re-appointment of Directors**

In terms of the provisions of the Companies Act, 2013 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 Zamana etc.
- The quarterly results of the Company are also available on the websites of BSE Limited. The site is **www.bseindia.com**.

6. GENERAL SHAREHOLDER INFORMATION

i) Date of incorporation	27th July, 1979
ii) Registered office	P.O. Ramdaspora, Jalandhar – 144003
iii) Date and Time of Annual General Meeting	29 th September, 2015 at 11:00 AM (IST)
(iv) Venue of Annual General Meeting	P.O. Ramdaspora, Jalandhar – 144003

(v) Financial Calendar

Financial reporting for 1st Qtr. ending June 30, 2015	End of July 2015
Financial reporting for 2nd Qtr. ending Sept 30, 2015	End of October 2015
Financial reporting for 3rd Qtr. ending Dec 31, 2015	End of January 2016
Financial reporting for 4th Qtr. ending March 31, 2016	End of May 2016

- vi) Date of Book closing for dividend 23rd September, 2015 to 29th September, 2015
- 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 2015-2016 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
- xiii) Distribution of shareholding as on 31st March, 2015

Share /Deb. Holding	Share/Deb. Holders (Nos.)	% to total number	Share/ debenture physical	NSDL	CDSL	Total (Value)	%age
Up to 500	1985	91.69	113788	91754	39925	245467	7.55
501-1000	84	3.88	10700	43243	13472	67415	2.07
1001-2000	38	1.76	5200	27229	21334	53763	1.65
2001-3000	20	0.92	10600	27574	9555	47729	1.47
3001-4000	3	0.14	3100	7400	0	10500	0.32
4001-5000	9	0.42	0	28831	14805	43636	1.34
5001-10000	11	0.51	11700	52102	12474	76276	2.35
10001 & Above	15	0.69	15600	2638064	53950	2707614	83.25

xix) 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.

xv) 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, 2015.

Stock Exchange: Bombay Stock Exchange, **Scrip Code:** 514412,
Company: Sarup Industries Limited, **For the Period:** April 2014 to March 2015

Month	High	Low	No. of Shares
Apr-14	34.90	28.80	36850
May-14	40.00	29.35	49628
Jun-14	46.50	36.00	18140
Jul-14	46.70	36.25	42825
Aug-14	49.15	35.20	9258
Sep-14	47.95	40.40	28448
Oct-14	47.20	40.15	19982
Nov-14	68.60	44.00	46903
Dec-14	74.00	46.60	38042
Jan-15	91.45	62.10	72493
Feb-15	133.10	64.75	263838
Mar-15	113.00	84.90	59936

(xvi) Annual General Meetings

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

Financial Year Ended	Date	Day	Time	Venue
31 st March 2014	29 th September, 2014	Monday	10.30 AM	P.O. Ramdaspora, Jalandhar
31 st March 2013	27 th September, 2013	Friday	10:30 AM	P.O. Ramdaspora, Jalandhar
31 st March 2012	28 th September, 2012	Friday	10:30 AM	P.O. Ramdaspora, Jalandhar

Special Resolution: In the AGM for year ending 31st March, 2014 three Special Resolutions were passed Detail of which is as under:-

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

(xvii) Location Address

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

Ph: 0181-2271556/7

E mail: accounts@bawastl.com

(xviii) 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)

Megha Gandhi, Company Secretary
Sarup Industries Limited
P.O. Ramdasपुरा,
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(II) E 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 2014-15.

Date: 28.08.2015

Place: Jalandhar

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 2014-15:

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 2014-15 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. The Board of the company during the year under Audit was not constituted in accordance with Clause 49 of listing agreement. The Board of Directors of the Company comprised of 8 Directors viz. 1 Non-Executive Promoter Chairperson, 1 Managing Director, 1 Whole Time Director, 1 Executive Director , 3 Non-Executive Independent Directors and 1 Non Executive Director (Mr. Ashwani Arora).
5. 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 2014-15 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: 28.08.2015

Atamjit Singh Bawa
Managing Director

Ramesh Chand Sharma
Chief Financial Officer

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, 2015 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 except the following

The Board of the company during the year under Audit was not constituted in accordance with Clause 49 of listing agreement. The Board of Directors of the Company comprised of 8 Directors viz. 1 Non-Executive Promoter Chairperson, 1 Managing Director, 1 Whole Time Director, 1 Executive Director , 3 Non-Executive Independent Directors and 1 Non Executive Director (Mr. Ashwani Arora).

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: 29.05.2015

For Y.K.Sud & Co.
Chartered Accountant

Y.K. Sud.
Prop.

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L19113PB1979PLC004014
2. Name of the Company: SARUP INDUSTIRES LIMITED
3. Registered address: P.O. RAMDASPURA, JALANDHAR-144003
4. Website: www.lotusbawa.in
5. E-mail id: shareholders@bawastl.com
6. Financial Year reported: 2014-15
7. Key products / services: Manufacturing of Shoes/shoe upper.
8. Locations where business activities are undertaken by the Company: Details of plant locations operated by the Company are provided in the section 'Report on Corporate Governance', in the Report.

Section B: Financial Details of the Company

1. Paid up Capital (INR):32,524,000
2. Total Turnover (INR): 696,473,967
3. Total profit after taxes (INR): 20,343,521

Section C: BR Information

- a) Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number: 00851651
- Name: Simarjit Singh Bawa
- Designation: Whole Time director

- b) Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y
3	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y
4	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y
5	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y
6	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 5: Environment [P5]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 6: Inclusive Growth [P6]

Principle 3: Employees' Well-being [P3]

Principle 7: Customer Value [P7]

Principle 4: Stakeholder Engagement [P4]

1. Corporate Governance for Ethics, Transparency and Accountability

A Board approved policy provides the framework for Company's corporate governance philosophy, which is anchored in the values of trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability. The Code is applicable to all the directors and employees of the Company.

The Company is committed to acting professionally, fairly and with integrity in all its dealings. Executive management of a Division or Business focuses on enhancing the quality, efficiency and effectiveness of the business.

2. Sustainability of Products & Services across Life-Cycle

Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw material/service, manufacturing of shoes or delivery of service, transportation of raw materials and finished goods, and disposal by consumers.

The company has fairly understood its obligations on social and environment concerns, risk and opportunities. Accordingly, the company has devised the manufacturing process of its product (shoes), in a manner taking care of social and environment concerns.

3. Well-being of Employees

The Policy provides for diversity and equal opportunities to all employees across the Company, based on merit and ability. The policy also ensures a work environment that is free from any form of discrimination amongst its employees in compensation, training and employee benefits, based on caste, religion, disability, gender, sexual orientation, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/minority group.

The health of the employee is of great importance for achieving this Company is providing the services of specialists free of cost.

4. Stakeholder Engagement

Company has mapped its internal as well as external stakeholders. Company also believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company constituted stakeholder's Relationship Committee to put the system and procedure to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a consistent and systematic manner.

5. Protection of the Environment

The Company has contributed to environmental security by not only ensuring efficient use of resources but also by augmenting precious natural resources. Board approved policies on Life cycle assessment of products and services, Environment, Health and Safety and Responsible Sourcing provide the necessary direction towards climate change mitigation and adaptation efforts as well as natural resource replenishment initiatives.

Company also contributing to the environment by creating the atmosphere eco- friendly. Trees and plants are not only planted but also preserved and maintained in the city with proper care and attention. The management of the Company is also maintaining and running a Park within the City for the benefit of children. This park is in the heart of the city and spread over a large area. They are also Environment conscious so many trees and plants are planted there which provides the environment friendly atmosphere.

6. Inclusive Growth

Businesses should support inclusive growth and equitable development. Inclusive business for the Company means creating economic well-being through employment skill improvement and access to markets for the community we operate in.

The Company has always considered the community as an extremely important stakeholder group and since its inception engaged for their development. Company has continuously serving the community by providing the employment to a large number of people. Moreover the Company is dedicating towards the interest of society by providing facilities to workers, employees of the Company.

7.Customer Value

As an organisation which upholds and makes significant efforts to ensure good governance, Company's businesses comply with all relevant laws of the land. The Company's uncompromising commitment to providing world-class products and services to customers is supported by its concern for the safety of its customers/consumers. Its overall approach on this vital aspect is guided by its Board approved Product Responsibility Policy.

In addition, the Company's businesses have a dedicated consumer response cell to respond to customer queries and feedback on products so as to be able to continuously improve upon its products and services. A well-established system is in place for dealing with customer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website etc.

Apart from above Amarpuri Public School is being run by the management in rural area of Punjab in Goindwal Sahib, Dist Taran Taran. This School provides the best and advanced technology for teaching and for benefits of the students.

Management of this Company having contribution in maintaining the "Pingla Ghar" in Jalandhar. The Pingla Ghar family provides care and shelter to the abandoned, crippled, destitute, invalids, disabled, handicapped, orphans and the mentally retarded without discrimination on the grounds of caste, creed or religion.

Section D: Other Details

Does the Company have any Subsidiary Company/ Companies? - NO

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SARUP INDUSTRIES LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of SARUP INDUSTRIES LTD ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and Matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Companies (Auditors Report) Order, 2015

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

Report on other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) There is nothing to disclose which is having adverse effect on the functioning of the company.
- f) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - I. The Company does not have any pending litigations which would impact its financial position]
 - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Forming an Opinion and Reporting on Financial Statements

For Y. K. SUD & CO
Chartered Accountants

Signature

(Yoginder Kumar Sud)

Prop.

(Membership Number: 16875)

Place: Jalandhar

Date: 29.05.2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of SARUP INDUSTRIES LIMITED for the year ended 31st March, 2015.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion and according to the information and explanations given to us, no fixed asset has been disposed of during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Thus sub clauses (a) & (b) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. In our opinion and according to the information and explanations given to us company hasn't accepted any deposits, from the directives issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act
6. As per information & explanation given by the management, maintenance of cost records are not applicable to the company.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise

Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
 - (c) In our opinion company has transferred the amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under within time.
8. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
 9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 11. In our opinion Terms Loans were applied for the purpose for which loans were obtained
 12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Y. K. SUD & CO
Chartered Accountants

Signature
(Yoginder Kumar Sud)
Prop.
(M. No: 16875)

Place: Jalandhar
Date: 29.05.2015

Balance Sheet as at 31 March, 2015			AMOUNT(IN ₹)	
Particulars		Note No.	As at 31 March, 2015	As at 31 March, 2014
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	32,524,000	32,524,000
	(b) Reserves and surplus	4	215,056,714	243,589,602
	(c) Money received against share warrants	29.1	-	-
			247,580,714	276,113,602
2	Share application money pending allotment	29.2		
3	Non-current liabilities			
	(a) Long-term borrowings	5	40,442,341	14,614,994.
	(b) Deferred tax liabilities (net)	30.10	-	-
	(c) Other long-term liabilities	6	49,354,751	16,162,987
	(d) Long-term provisions	7	-	-
			89,797,092	30,777,981
4	Current liabilities			
	(a) Short-term borrowings	8	125,437,248	114,398,535
	(b) Trade payables	9	88,328,616	108,485,245
	(c) Other current liabilities	10	35,026,950	32,429,388
	(d) Short-term provisions	11	56,026,231	12,342,414
			304,819,045	267,655,582
	TOTAL		642,196,851	574,547,165
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12.A	170,852,769	124,574,841
	(ii) Intangible assets	12.B	-	-
	(iii) Capital work-in-progress		3,514,092	2,637,092
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale	29.9	-	-
			174,366,861	127,211,933
	(b) Non-current investments	13	4,279,064	4,279,064
	(c) Deferred tax assets (net)	30.10	1,013,223	980,309
	(d) Long-term loans and advances	14	2,493,596	1,902,191
	(e) Other non-current assets	15	-	-
			7,785,883	7,161,564
2	Current assets			
	(a) Current investments	16	-	-
	(b) Inventories	17	289,441,767	285,753,398
	(c) Trade receivables	18	123,369,854	107,034,212
	(d) Cash and cash equivalents	19	12,813,155	8,063,999
	(e) Short-term loans and advances	20	24,727,238	25,621,602
	(f) Other current assets	21	9,692,093	13,700,457
			460,044,107	440,173,668
	TOTAL		642,196,851	574,547,165
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

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

For and on behalf of the Board of Directors

(Prop.)

Place : JALANDHAR
Date : 5/29/2015**Atamjit Singh Bawa**
Managing Director
DIN: 00807400
Amit Kumar
Company Secretary**Simarjit Singh Bawa**
Whole-Time Director
DIN851651
R.C. Sharma
C. F. O.

Statement of Profit and Loss for the year ended 31 March, 2015			
Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		₹	₹
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	22	696,473,967	595,015,352
Less: Excise duty	22	-	-
Revenue from operations (net)		696,473,967	595,015,35
2 Other income	23	2,515,194	904,947
3 Total revenue (1+2)		698,989,161	595,920,299
4 Expenses			
(a) Cost of materials consumed	24.a	390,519,447	370,058,049
(b) Purchases of stock-in-trade	24.b	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.c	(3,412,254)	(55,197,991)
(d) Employee benefits expense	25	166,600,252	150,388,448
(e) Finance costs	26	18,450,672	16,982,967
(f) Depreciation and amortisation expense	12.C	18,191,912	12,077,263
(g) Other expenses	27	83,209,611	84,300,660
Total expenses		673,559,640	578,609,396
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		25,429,521	17,310,903
6 Exceptional items	28.a	-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		25,429,521	17,310,903
8 Extraordinary items	28.b	-	-
9 Profit / (Loss) before tax (7 ± 8)		25,429,521	17,310,903
10 Tax expense:			
(a) Current tax expense for current year		5,086,000	3,463,912
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		-	-
(d) Net current tax expense		5,086,000	3,463,912
(e) Deferred tax		-	-
11 Profit / (Loss) from continuing operations (9 ± 10)		20,343,521	13,846,991
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)	30.11	-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	30.11	-	-
12.iii Add / (Less): Tax expense of discontinuing operations	30.11	-	-
(a) on ordinary activities attributable to the discontinuing operations			
(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13 Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)	30.11		
C TOTAL OPERATIONS			
14 Profit / (Loss) for the year (11 ± 13)		20,343,521	13,846,991
15.i Earnings per share (of ₹ Rs. 10/- each):			
(a) Basic			

	(i) Continuing operations	30.9.a	6.25	4.26
	(ii) Total operations	30.9.b	6.25	4.26
	(b) Diluted			
	(i) Continuing operations	30.9.e	6.25	4.26
	(ii) Total operations	30.9.f		
15.ii	Earnings per share (excluding extraordinary items) (of Rs.₹10/- each):			
	(a) Basic			
	(i) Continuing operations	30.9.c	6.25	4.26
	(ii) Total operations	30.9.d	6.25	4.26
	(b) Diluted			
	(i) Continuing operations	30.9.g	6.25	4.26
	(ii) Total operations	30.9.h	6.25	4.26

In terms of our report attached.

For Y.K. Sud & Co;

Chartered Accountants

(Prop.)

Place : JALANDHAR

Date : 5/29/2015

Atamjit Singh Bawa
Managing Director
DIN: 00807400

Amit Kumar
Company Secretary

For and on behalf of the Board of Directors

Simarjit Singh Bawa
Whole-Time Director
DIN: 851651

R.C. Sharma
C. F. O.

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 provisions of the Companies Act 2013 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

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 200X, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Inventories

Inventories are valued at the lower of cost (on FIFO) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the

goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Depreciation and amortisation

For the year 2014-15, 'Depreciation on each asset has been provided on WDV Method as per useful lives prescribed in Schedule II to the Companies Act, 2013 . Earlier the Depreciation was being provided on WDV Method at the rates prescribed in the schedule XIV in Companies Act, 1956. The Difference in depreciation on account of rates prescribed in Schedule XIV under Companies Act, 1956 and Useful life of particular Asset as per Schedule II of Companies Act, 2013 is Rs. 1472693/- (Depreciation increased by Rs.1472693/-). As such due to this change in depreciation system the net profits of the Company decreased by Rs. 1472693/-. Assets the life of which has been expired and depreciation charged till 31/3/14 was less than the residual value, has been adjusted in depreciation of Current year. The adjusted amount is Rs. 801020/-. Assets against which depreciation till 31-3-2014 , has been claimed more than residual value , the excess depreciation amounting to Rs. 4542715/- has been adjusted in Current Year Profits.

Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Tangible fixed assets

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

relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

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

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

Intangible assets

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

Refer Note 2.21 for accounting for Research and Development Expenses.

Foreign currency transactions and translations

Initial recognition

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

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

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

Treatment of exchange differences

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

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

Accounting of forward contracts

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

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

Government grants, subsidies and export incentives

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

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

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

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

Investments

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

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

Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

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

Long-term employee benefits

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

Employee share based payments

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

Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Leases

Company has not given any of its property on lease.

Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Joint venture operations

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

Impairment of assets

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

Provisions and contingencies

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

Provision for warranty

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

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

Hedge accounting

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

Derivative contracts

The Company entered in no derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

Share issues expenses

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under provisions of the Companies Act, 2013, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.

Insurance claims

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

Service Tax

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

Note 3 Share Capital

Particulars	As at 31.03.2015		As at 31.03.2014	
	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 31.03.2015				
Number of Shares	3252400	-	-	3252400
Amount (Rs.)	32524000	-	-	32524000
Year Ended 31.03.2014				
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, 2015		As at 31 March, 2014	
	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

Particulars	Amt. In ₹	
	As at 31 March, 2015	As at 31 March, 2014
(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	144,527,787	142,027,787
Add: Transferred from surplus in Statement of Profit and Loss	2,500,000	2,500,000
Closing balance	147,027,787	144,527,787
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	68,681,015	67,321,456
Add: Profit / (Loss) for the year	20,343,521	15,038,705
Provision w/back		
-income tax	393	-
Deferred tax liability w/back	32,914	-
Less: Dividends proposed to be distributed to equity shareholders (RS 1.50 per share)	5,854,320	5,854,320
Tax on Dividend	1,168,950	949,717
Transferred to General Reserve	2,500,000	2,500,000
Income Tax		2,989,919
Prior Period Adjustments	41,886,446	1,385,190
Closing Balance	37,648,127	68,681,015
Total (a+b+c+d)	215,056,714	243,589,602

Note 5 Long Term Borrowings

Particulars	Amt. In ₹	
	As at 31 March, 2015	As at 31 March, 2014
a) Term Loans		
From Banks (Secured)	14,536,939	10,512,581
b) Deposits (Unsecured)	25,905,402	4,102,413
Total	40,442,341	14,614,994

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

Particulars	Terms of repayment and security*	As at 31 March, 2015		As at 31 March, 2014	
		Secured	Unsecured	Secured	Unsecured
		₹	₹	₹	₹
<u>Term loans from banks:</u>					
HDFC Bank	Secured against Audi Car	1,928,612		2,569,809	
HDFC Bank	Secured against Sunny Car Car	345,504		508,838	
HDFC Bank	Secured against Sunny Car	345,504		508,838	
HDFC Bank	Secured against Indigo Car	0		82,892	
HDFC Bank	Secured against Indigo Car	0		72,768	
Kotak Mahindra Prime Ltd.	Secured against car	0		0	
State Bank of India	OTL A/C(Secured against Machinery)	0		0	
State Bank of India	Secured against Building & Machinery	155,059		4,573,802	
State Bank of India	Secured against building & Machinery	0		2,195,634	
State Bank of India	Secured against building & Machinery	11,762,260		0	
Total - Term loans from banks		14,536,939		10,512,581	

Particulars	Terms of Repayment	As at 31 March, 2015	As at 31 March, 2014
<u>Loans and advances from related party</u>			
From Directors		25,905,402	4,102,413
Total - Loans and advances from related parties		25,905,402	4,102,413

(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

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Trade Payables: *	33,191,764.00	-
(b) Trade / security deposits received	16,162,987.00	16,162,987.00
Total	49,354,751.00	16,162,987.00

Note 7 Long-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Provision for employee benefits:	Nil	Nil
(b) Provision - Others:	Nil	Nil
Total	-	-

Note 8 Short-term borrowings

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Loans repayable on demand		
From banks		
Secured	125,437,248	114,398,535
Unsecured	-	-
	125,437,248	114,398,535
From other parties		
Secured	-	-
Unsecured	-	-
Total	125,437,248.00	114,398,535.00

Notes:

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

Particulars	Nature of security	As at 31 March, 2015	As at 31 March, 2014
		₹	₹
<u>Loans repayable on demand</u>			
<u>from banks:</u>			
State Bank of India		10,007,991	9,872,381
State bank of India		87,620,724	67419587
State Bank of India(Buyers Credit)		10,311,230	6,338,839
SBI PSCFC A/C		-	7,505,352
HDFC Hundi Discount		-	7,166,186
State Bank of India Stand by Lomit		-	5,025,326
TERM LOANS REPAYABLE WITHIN ONE YEAR			
HDFC Bank- Audi Car		958,968	9589,68
HDFC Bank		-	-
HDFC Bank		213,000	213,000
HDFC Bank		213,000	213,000
Tata Motors Ltd.		-	35486
Kotak Mahindra		-	29327
HDFC Bank		107,007	168,384
HDFC Bank		93,938	147,816
State Bank of India		7,200,000	424,883
State Bank of India		7,200,000	7,200,000
State Bank of India		1,511,390	1,680,000
Total - from banks		125,437,248	114,398,535

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

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Loans repayable on demand from banks	107,939,945	103,327,671

Note 9 Trade payables *

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Trade payables:		
Acceptances	88,328,616	108,485,245
Other than Acceptances	-	-
Total	88,328,616.00	108,485,245.00

Note 10 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(f) Unpaid dividends	1,276,328	1,114,470
(b) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	4,337,294	3,080,908
(ii) Payables on purchase of fixed assets	-	-
(iii) Due to Directors	754,858	893,917
(iv) Interest accrued on trade payables	-	-
(v) Interest accrued on others	-	-
(vi) Trade / security deposits received	-	-
(vii) Advances from customers	8,044,815	7,936,880
(vii) Expenses Payable	14,036,375	14,326,416
(viii) Cheques issued but not yet presented	6,577,280	5,076,797
Total	35,026,950	32,429,388

Note 11 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Provision for employee benefits: @	-	-
(b) Provision - Others:		
(i) Provision for tax	7,160,465	5,538,377
(ii) Provision for proposed equity dividend	5,854,320	5,854,320
(iii) Provision for tax on proposed dividends	1,125,000	949,717
(iv) Provision for Retirement Gratuity	41,886,446	-
Total	56,026,231	12,342,414

Note 12 Fixed Assets

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land										
Freehold	24,824,780			24,824,780					24,824,780	24,824,780
(b) Buildings										
Factory Building	35,951,241	1,839,141		37,790,382	18,664,623	1,681,268	0	20,345,891	17,444,491	17,286,618
Residential building	24,164,914			24,164,914	7,674,681	804,550	0	8,479,231	15,685,683	16,490,233
(c) Plant and Equipment										
Owned	189,104,804	53,903,632	0	243,008,436	140,948,172	7,272,470	423,694	143,983,694	99,024,742	48,156,631
(d) Furniture and Fixtures										
Owned	14,203,737	141,159		14,344,896	11,763,452	1,257,420	59246	12,961,626	1,383,270	2,440,286
(e) Vehicles										
Owned (motor cars and scooters)	17,832,070	0	1,840,030	15,992,040	9,256,379	3,166,539	162,064	10,802,276	5,189,764	8,575,692
Commercial vehicles	968,570			968,570	734,391	77,300	7541	804,150	164,420	234,179
Cycle and rikshaw	18,841			18,841	18,841	0	941	17,900	941	0
(f) Office equipment										
Owned	6,071,817	355,598		6,427,415	4,362,157	614,729	77451	4,899,435	1,527,980	1,709,659
(g) Leasehold improvements										
Owned	919,661			919,661	564,910	122,129	0	687,039	232,622	354,751
(h) Others										
Electric installation	6,620,627	895,226	0	7,515,853	4,184,874	653,713	0	4,838,587	2,677,266	2,435,752
Computers	2,980,772	1,782,179		4,762,951	2,608,202	547,459	46527	3,109,134	1,653,817	372,570
Tube well	442,841	98,141		540,982	333,392	128,390	0	461,782	79,200	109,449
Moulds and dies	844,0851	0	15,957	8,424,894	6,927,689	659,722	82935	7,504,476	920,418	1,513,163
Creache	3,480			3,480	727	512	0	1,239	2,241	2,753
Scanner	88,410	0		88,410	20,085	27,191	0	47,276	41,134	68,325
i) Amortisation										
	0	1,178,520		1,178,520	0	1,178,520		1,178,520		
Total	332,637,416.00	60,193,596.00	1,855,987.00	390,975,025.00	208,062,575	18,191,912	6,132,231	220,122,256	170,852,769	124,574,841
Previous year	321,142,686.00	13,595,550.00	2,079,820.00	332,658,416.00	197,056,312	12,077,263	1,050,000	208,083,575	124,574,841	124,086,374

Note 13 Non-current investments

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
Investments (At Cost)						
A. Trade @	-	-	-	-	-	-
B (a) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of other entities						
1600 (As at 31-3-2015: 1600) Shares of Rs. Each fully paid up in DSQ	321,893	-	321,893	321,893	-	321,893
Shares of Rs. Each fully paid up in Modern Syentex Ltd.	-	18,000	18,000	-	18,000	18,000
Shares of Rs. Each fully paid up in Pentamedia	496,820	-	496,820	496,820	-	496,820
1500(As at 31-3-15: 1500) Shares of Rs. Each fully paid up in Polars 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
(b) Investment in preference shares (give details separately for fully / partly paid up shares)						
(c) Investment in mutual funds (give details)						
11087.704 (As at 31.3.2015) Units of SBI Magnum Scheme (G)	200,000		200,000	200,000		200,000
4424.446 (As at 31-3-2015) Units of HDFC Top 200(G)	78,885		78,885	78,885		78,885
Total - Other investments (B)	3,424,730	854,334	4,279,064	3,424,730	854,334	4,279,064

Note 14 Long-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Capital advances *		
(b) Security deposits		
Unsecured, considered good	2,493,596	1,902,191
Less: Provision for doubtful deposits	-	-
Total	2,493,596	1,902,191

Note 15 Other non-current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Long-term trade receivables		
(b) Unamortised expenses		
(c) Accruals		
Total	Nil	Nil

Note 16 Current Investments -- NIL**Note 17 Inventories**

(At lower of cost and net realisable value)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Raw materials	77,919,110	76,346,999
(b) Work-in-progress @ (Refer Note below)	54,398,969	76,469,053
(c) Finished goods (other than those acquired for trading)	155,535,893	130,053,555
(d) Stock-in-trade (acquired for trading)	0	0
(e) Stores and spares	585,391	1,098,434
(f) Others - Packing Material	1,002,404	1,785,357
Total	289,441,767	285,753,398

Note 18 Trade receivables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Unsecured, considered good	40,369,159	38,620,625
(b) Other Trade receivables		
Unsecured, considered good	83,000,695	68,413,587
Less: Provision for doubtful trade receivables	0	0
Total	123,369,854	107,034,212

Note 19 Cash and cash equivalents @

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Cash on hand	55,171	18,023
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	2,073,566	2,175,123
(ii) In EEFC accounts	-	-
(iii) In deposit accounts (Refer Note (i) below)	9,408,090	4,756,383
(iv) In earmarked accounts		
- Unpaid dividend accounts	1,276,328	1,114,470
Total	12,813,155	8,063,999

Notes:

(i) Balances with banks include deposits amounting to ₹NIL. (As at 31 March, 2015 ₹ and margin monies amounting to ₹(As at 31 March, 2015 ₹) which have an original maturity of more than 12 months.

(ii) Balances with banks - Other earmarked accounts include (As at 31 March, 2015) which have restriction on repatriation.

Note 20 Short-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Loans and advances to employees		
Unsecured, considered good	1,085,852	322,749
Less: Provision for doubtful loans and advances	-	-
	1,085,852	322,749
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	458,104	468,014
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	2,287,958	1,467,044
(ii) VAT credit receivable	2,698,863	3,153,033
(iii) Service Tax credit receivable	211,771	10,554
(iv) PLA	441	253
(d) Inter-corporate deposits	-	-
	5,657,137	5,098,898
(e) Others (specify nature)		
Unsecured, considered good	17,984,249	20,199,955
Total	24,727,238	25,621,602

Note 21 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Others		
(i) Insurance claims	-	-
(ii) Capital Subsidy Receivable	-	3,107,245
(iii) advance income tax	8,862,454	8,600,112
(iv) Others (INCENTIVE RECEIVABLE)	429,639	1,593,100
(v) Vat Refund	400,000	400,000
Total	9,692,093	13,700,457

Note 22 Revenue from operations

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
(a) Sale of products @ (Refer Note (i) below)	695800526	585707554
(b) Sale of services @ (Refer Note (ii) below)	0	0
(c) Other operating revenues # (Refer Note (iii) below)	673441	9307798
	696473967	595015352
<u>Less:</u>		
(d) Excise duty		
Total	696,473,967.00	595,015,352.00

Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		₹	₹
(i)	Sale of products comprises @:		
	<u>Manufactured goods</u>		
	Shoes and shoes upper	676,180,463	556,126,191
	Leather	19,620,063	29,581,363
	Total - Sale of manufactured goods	695,800,526	585,707,554
	Total - Sale of products		
(ii)	Sale of services comprises @:		
(iii)	Other operating revenues # comprise:		
	Exchange Rate Difference	133,750	0
	Sale of scrap		0
	Insurance Claim	0	5,633,099
	Duty drawback and other export incentives	415,204	3,069,249
	Others	124,487	605,450
	Total - Other operating revenues	673,441	9,307,798

Note 23 Other income

Notes	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a)	Interest income (Refer Note (i) below)	767,447	513,180
(b)	Dividend income:		
	others	9,375	7,500
(c)	Previous Years Depreciation W/ back	4,542,714	
(d)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	-2,804,342	384,267
	Total	2,515,194	904,947
(i)	Interest income comprises:		
	deposits	597,849	513,180
	Interest on income tax refund	36,180	0
	Other interest- On electric Security	133,418	
	Total	767,447	513,187
(ii)	Other non-operating income comprises:		
	Prior period items (net) (Refer Note (iii) below)	-2,841,128	
	Miscellaneous income [net of expenses directly attributable ₹ (Year ended 31 March, 2015₹)]	36,786	384,267
	Total	2,804,342	384,267
(iii)	Details of Prior period items (net)		
	Prior period expenses		
	1. Rebate & discount	-943,161	
	2. Other Manufacturing Expenses	-1,059,047	
	2. Vat Retention	-838,920	
	Total	-2,841,128	

Note 24 (a) Cost of materials consumed @		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Opening stock	79,230,790	51,311,552
Add: Purchases	390,795,562	397,977,287
	470,026,352	449,288,839
Less: Closing stock	79,506,905	79,230,790
Cost of material consumed	390,519,447	370,058,049
Note 24 (b) Purchase of traded goods @	Nil	Nil
Note 24.c Changes in inventories of finished goods, work-in-progress and stock-in-trade @		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
<u>Inventories at the end of the year:</u>		
Finished goods	155,535,893	130,053,555
Work-in-progress	54,398,969	76,469,053
Stock-in-trade		
	209,934,862	206,522,608
<u>Inventories at the beginning of the year:</u>		
Finished goods	130,053,555	116,339,354
Work-in-progress	76,469,053	34,985,263
Stock-in-trade		
	206,522,608	151,324,617
Net (increase) / decrease	(3,412,254)	(55,197,991)
Note 25 Employee benefits expense		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Salaries & Wages #	115,771,228	109,967,467
Contributions to provident and other funds (Refer Note 30.4) @	19,652,090	17,266,113
Bonus	6,956,088	5,323,328
Allowances	12,920,351	10,540,720
Leave encashment	3,779,335	3,371,213
Ex-gratia	533,503	1,398,122
Family planning	72,475	73,851
Canteen subsidy	555,187	475,887
Provision for Retirement Gratuity	0	0
Staff welfare expenses **	1,558,464	1,971,747
Total	166,600,252	150,388,448
Note 26 Finance costs		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
(a) Interest expense on:		
(i) Borrowings	18,450,672	16,982,967
Total	18,450,672	16,982,967

Note 27 Other expenses

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Consumption of stores and spare parts	2,709,318	3,021,027
Other Manufacturing Exp	6,012,017	11,730,538
Consumption of packing materials @	22,036,164	20,850,315
Excise Duty (net)	4,293,581	0
Power and fuel	8,802,676	9,830,729
Water *	0	0
Rent including lease rentals (Refer Note 30.8.d)	846,850	1,039,188
Repairs and maintenance - Buildings	855,039	709,370
Repairs and maintenance - Machinery	1,597,197	1,539,007
Repairs and maintenance - Others *	4,843,521	5,386,708
Insurance	926,932	768,025
Rates and taxes	1,203,405	871,122
Postage, Telegram and Telephone	1,507,668	1,588,333
Travelling and conveyance *	1,783,004	1,938,963
Printing and stationery*	566,174	448,106
Freight and forwarding *	9,780,707	8,075,641
Commission *	4,692,930	3,748,983
Sales discount *	0	0
Business promotion *		
Samples	58,081	53,471
Sales Promotion	41,560	266,031
Advertisement	106,446	163,593
Donations and contributions	47,610	84,501
Legal and professional *	3,023,393	2,428,225
Payments to auditors (Refer Note (i) below)	112,360	112,360
Amortisation of share issue expenses and discount on shares *	0	111,568
Miscellaneous expenses *		
Bank Charges	2,431,216	1,818,305
Entertainment Expenses	266,680	115,563
AGM Expenses	60,134	86,060
Festival Expenses	296,443	228,640
Damaged goods	1,193,358	0
Exchange Rate Diff	0	639,565
Loss by Fire	0	3,584,760
Service Tax	723,583	412,226
Security Service Charges	1,507,889	1,793,324
Books & Periodicals	0	4,590
Rebate & Discount	579,609	717,614
Fines & Penalties	9,158	0
Short & excess Recovery	2,227	
Other Misc. Expense	292,681	134,209
Total	83,209,611	84,300,660

Notes:		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	102,360	102,360
For other services	10,000	10,000
Total	112,360	112,360

Note 28.a Exceptional items @ NIL

Note 28.b Extraordinary items # NIL

Note 29.1 Monies received against share warrants----- NIL

Note 29.2 Share application money pending allotment ---- NIL

Note 29.3 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Contingent liabilities	NIL	NIL
(a) Claims against the Company not acknowledged as debt (give details)		
(b) Guarantees @ (give details)	6,549,539.00	6,549,539.00
(c) Other money for which the Company is contingently liable (give details)		

Note 29.4 Details of unutilised amounts out of issue of securities made for specific purpose NA

Note 29.5 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 NIL

Note 29.6 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 March, 2015	Maximum balance outstanding during the year
NA		NIL	NIL

Note 29.7 Details on derivatives instruments and unhedged foreign currency exposures - NA

Note 29.8 Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000 NA

Note 29.9 Details of fixed assets held for sale NIL

Note 29-10 Value of imports calculated on CIF basis @:

Value of imports calculated on CIF basis @:	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
	₹	₹	
Raw materials	110,151,503	112,173,577	
Components	0	199,217	
Packing	0	139,433	
Capital goods	32,752,230	698,580	
Total	142,903,733	113,210,807	
(b) Details of consumption of imported and indigenous items			
Particulars	For the year ended 31 March, 2015		
	Rupees	%	
<u>Imported</u>			
Raw materials	Current year	110,151,503	27.30
	Previous Year	112,173,577	30.31
Components	Current year	0	0
	Previous Year	199,217	6.59
<u>Indigenous</u>			
Raw materials	Current year	280,367,944	72.70
	Previous Year	257,884,472	69.69
Components	Current year	2,709,318	100.00
	Previous Year	2,821,810	93.41
Packing material	Current Year	20,710,882	100.00
	Previous Year	0	0
(c) Earnings in foreign exchange			
	Amt. In ₹		
Particular	As at 31 March, 2015	As at 31 March, 2013	
Export of goods calculated on FOB basis	7,953,364	29,581,363	

Note 30.1 Disclosures under Accounting Standards

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Details of contract revenue and costs	NIL	NIL

30.2 Disclosures under Accounting Standards (contd.)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Details of government grants		
- Duty drawback (recognised under Other operating revenues)	415,204	3,069,249
- Other incentives	NIL	NIL

Note 30.3 Details of amalgamations- NA

Note 30.4 Disclosures under Accounting Standards (contd.)

Employee benefit plans						
<u>Defined contribution plans</u>						
<p>The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ` (Year ended 31 March, 2015`) for Provident Fund contributions and ` (Year ended 31 March, 2014`) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</p> <p>The Company offers the following employee benefit schemes to its employees:</p> <p>i. Gratuity</p> <p>ii. Post-employment medical benefits</p> <p>iii. Other defined benefit plans (specify nature)</p>						
The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:						
Particulars	Year ended 31 March, 2015			Year ended 31 March, 2014		
	Gratuity	Post-employment medical benefits	Other defined benefit plans (specify nature)	Gratuity	Post-employment medical benefits	Other defined benefit plans (specify nature)
Components of employer expense						
Current service cost	2,734,514					
Interest cost	3,039,514					
Expected return on plan assets	6,959					
Past service cost	-					
Actuarial losses/(gains)	(1,541,262)					
Total expense recognised in the Statement of Profit and Loss	1,466,205	NIL	NIL	1,254,455	NIL	NIL
Actual contribution and benefit payments for year						
Actual benefit payments						
Actual contributions	1,218,005					
Net asset / (liability) recognised in the Balance Sheet						
Present value of defined benefit obligation	42,313,685			38,968,128		
Fair value of plan assets	427,239			79533		
Funded status [Surplus / (Deficit)]						
Unrecognised past service costs						
Net asset / (liability) recognised in the Balance Sheet	41,886,446					
Change in defined benefit obligations (DBO) during the year						
Present value of DBO at beginning of the year	38,968,125	-	-			
Current service cost	2,734,514	-	-			
Benefits paid	887,029					
Present value of DBO at the end of the year	42,313,685	-	-			
Change in fair value of assets during the year						
Plan assets at beginning of the year	79,533					
Expected return on plan assets	16,910					
Actual company contributions	1,281,005					
Actuarial gain / (loss)	9,951					
Benefits paid	887,209					
Plan assets at the end of the year	427,239					
Actuarial assumptions						
Discount rate	7.80%					
Expected return on plan assets	9.00%					

Particulars					
The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.					
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.					
Effect of a 1% change in health care cost	31 March, 2015		31 March, 2014		
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%	
Aggregate current service and interest cost					
Closing balance of obligation					
Experience adjustments					
	2014-15	2013-14	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	42,313,685				
Fair value of plan assets	427,239				
Funded status [Surplus / (Deficit)]	(41,886,466)				

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Actuarial assumptions for long-term compensated absences		
Discount rate	7.80%	
Expected return on plan assets	9.00%	
Salary escalation	5.00	
Attrition		
The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.		
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		

30.5 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Borrowing costs capitalised during the year		
- as fixed assets , work-in-progress	1,449,531	-
- as inventory	-	-

Note 30.6 Segment information NA**Note 30.7 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	618,000/-

Note 30.8 Details of leasing arrangements- NA

Note 30.9 Earnings per share

Particulars	As at 31 March, 2015	As at 31 March, 2014
Net profit / (loss) for the year from continuing operations	20,343,521	13,846,991
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	6.25	4.26

Note 30.10 Deferred tax (liability) / asset

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
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	971,757	555,458
Tax effect of items constituting deferred tax liability	971,757	555,458
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	-	-
Provision for doubtful debts / advances	-	-
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(41,466)	(424,852)
On difference between book balance and tax balance of fixed assets	-	-
Others	-	-
Tax effect of items constituting deferred tax assets	(41,466)	(424,852)
Net deferred tax (liability) / asset	1,013,223	980,310

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

Note 30.11 Discontinuing operations- NO**Note 30.12 Research and development expenditure recognised as an expense - NIL****Note 30.13 Interest in joint ventures- NA****Note 30.14 Details of provisions**

The Company has not made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1 April, 2014	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2015
	₹	₹	₹	₹	₹
Provision for other contingencies - Bank Guaranties	6,889,539	0	0	0	6,889,539
- Letter of Credit	12,320,916	30,676,831	42,346,984	0	650,763
Total	19,210,455	30,676,831	42,346,984	0	7,540,302

Note 31 Employee Stock Option Scheme-NA

Cash Flow Statement for the year ended 31 March, 2015				
Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	A. Cash flow from operating activities			
Net Profit / (Loss) before extraordinary items and tax		25,429,521		17,310,903
<u>Adjustments for:</u>				
Depreciation and amortization	18,191,912		12,077,263	
Amortisation of share issue expenses and discount on shares	0		111,568	
(Profit) / loss on sale / write off of assets	-124,487		-593,551	
Finance costs	18,450,672		16,982,967	
Interest income	-767,447		-513,180	
Dividend income	-9,375		-7,500	
Net (gain) / loss on sale of investments				
Liabilities / provisions no longer required written back	393	(10,687,492)		28,057,567
Provision for retirement gratuity	-41,886,446			
Other non-cash charges (specify)-previous years Depreciation W/back	-4,542,714			
Net unrealized exchange (gain)/loss	0			
Operating profit / (loss) before working capital changes		14,742,029		45,368,470
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-3,688,369		-83,117,229	
Trade receivables	-16,335,642		13,091,192	
Short-term loans and advances	208,364		-9,836,030	
Long-term loans and advances	-59,1405		425,885	
Other current assets	4,008,364		14,362,891	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-20,156,629		41,377,129	
Other current liabilities	2,597,562		6,105,409	
Other long-term liabilities	33,191,764			
Short-term provisions	43,408,534	42,642,543	-12,001,270	-29,592,023
Cash generated from operations		57,384,572		15,776,447
Prior Period Expenses				(1,385,190)
Net income tax (paid) / refunds		-4,400,000		-4,200,000
Net cash flow from / (used in) operating activities (A)		52,984,572		10,191,257
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-61,070,596		-14,249,005	
Proceeds from sale of fixed assets	390,957		1623,371	
Purchase of Long term Investment				
Proceeds From The Sale of Long Term Investment				
Interest Received	767,447		513,180	
Dividend received	9,375	-59,902,817	7,500	-12,104,954
Net cash flow from / (used in) investing activities (B)		-59,902,817		-12,104,954
C. Cash flow from financing activities				
Proceeds from long-term borrowings	34,338,810			
Repayment of long-term borrowings	-8,511,463		-7,144,404	
Net increase / (decrease) in working capital borrowings	11,038,713		-973,157	

Repayment of other short-term borrowings				
Finance cost	-18,450,672		-16,982,967	
Dividends paid	-5,854,320		-4,878,600	
Tax on dividend	-893,667		-791,431	
Net cash flow from / (used in) financing activities (C)		11,667,401		-30,770,559
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		4,749,156		-32,684,256
Cash and cash equivalents at the beginning of the year		8,063,999		40,748,255
Cash and cash equivalents at the end of the year		12,813,155		8,063,999
(a) Cash on hand		55,171		18,023
(b) Cheques, drafts on hand				
(c) balances With Banks (i) Current Account		3,349,894		3,289,593
(ii) EEFC Account				
(d) FDRs With Schedule Banks		9,408,090		475,6383
		12,813,155		8,063,999

In terms of our report attached.

For Y.K. Sud & Co;

Chartered Accountants
(Prop)

Place:Jalandhar
Date:29-05-2015

For and on behalf of the Board of Directors

Atamjit Singh Bawa
DIN:00807400

Simarjit Singh Bawa
DIN:851651

Amit Kumar
Company secretary

R.C Sharma
C.F.O

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 36th Annual General Meeting of the Company held at registered office of the Company at M/s Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab at 11.00 AM on Tuesday, 29th day of September, 2015.

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

Notes:

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

SARUP INDUSTRIES LIMITED**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 36th Annual General Meeting of the Company to be held at Sarup Industries Limited, P.O. Ramdaspora, Jalandhar-144003, Punjab, at 11.00 a.m. on Tuesday, the 29th day of September, 2015 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, 2015 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 Lajpat Sangwan as Director			
6. Re-appointment of Managing Director			
7. Re-appointment of Whole-Time Director			
8. Appointment of Ashwani Arora as Independent Director			
9.Appointment of Dr. Surinder Singh Cheema as Independent Director			

Signed thisday of 2015

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.
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SARUP INDUSTRIES LIMITED

Regd. Off: P.O. RAMDASPURA, JALANDHAR-144003

PUNJAB

Tel: 0181-2271556/7/8

Email: shareholders@bawastl.com

Website: www.lotusbawa.in

CIN: L19113PB1979PLC004014