



## SARUP INDUSTRIES LTD.

Date: - 04.09.2021  
Ref: - SIL/2021-22/SEC/28

To

General Manager  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001

Sub: - Submission of 42nd Annual Report of Sarup Industries Limited for F.Y 2020-21 under Regulation 34 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 find attached approved copy of **42nd Annual Report** of Sarup Industries Limited along with the Notice, Auditor's Report & Financial statements for the financial year ending on 31<sup>st</sup> March, 2021.

You are hereby requested to please disseminate the same on Website for shareholders/Investors wherever necessary.

This is for your information and record purpose.

Thanking You  
Yours Sincerely

Megha Gandhi  
(Company Secretary cum  
Compliance Officer)

# **SARUP INDUSTRIES LIMITED**

## **42nd ANNUAL REPORT AND ACCOUNTS 2020-21**

**CIN: L19113PB1979PLC004014**  
**REGD OFF: - PLOT NO-141, LEATHER COMPLEX, JALANDHAR-144001, PUNJAB**  
**(INDIA)**

## **GO GREEN!**

**DEAR SHAREHOLDERS,**

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

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

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

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**CORPORATE INFORMATION**

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

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

**NOTICE** is hereby given that the **42nd (Forty Second)** Annual General Meeting of the Members of Sarup Industries Limited will be held on **Wednesday, the 29th day of September, 2021 at 01.30 PM** through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following businesses:-

### **ORDINARY BUSINESS**

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

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021, together with the Reports of the Directors and the Auditors thereon.

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

To appoint a Director in place of **MS. LISSY JACOB (DIN: 07510795)** who retires by rotation and being eligible, offers herself for re-election.

### **SPECIAL BUSINESS**

#### **Item No.3- Appointment of MR. JAGDISH CHAND as Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 161, 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), **MR. JAGDISH CHAND (DIN: 09294793)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th August,2021 in terms of Section 161(1) 149, 150, 152 of the Act and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from 27th August,2021 to 26th August,2026.”

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

**Item No.4- Appointment of MR. RAJINDER KUMAR BHATIA as Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 161, 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), **MR. RAJINDER KUMAR BHATIA** (DIN: 09294777), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th August,2021 in terms of Section 161(1) 149, 150, 152 of the Act and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from 27th August,2021 to 26th August,2026.”

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

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

**Sd/-**

**Sd/-**

**Simarjit Singh Bawa  
Managing Director  
Din: 00851651**

**Atamjit Singh Bawa  
Director  
Din:00807400**

**Place: Jalandhar  
Date: 01.09.2021**

**NOTES**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The deemed venue for forty Second e-AGM shall be the other Office of the Company at P O Ramdasपुरa, Jalandhar-144003, Punjab.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.sarupindustries.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and



www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
10. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their e-mail address with Skyline Financial Services Pvt Ltd at <http://www.skylinerta.com/>, [info@skylinerta.com](mailto:info@skylinerta.com).
11. Further, the Company had availed of services offered by NSDL to update email addresses of shareholders of the Company having their holding with a depository participant registered with NSDL and have not registered their email addresses. Members are requested to register their email id and support the green initiative efforts of the Company.
12. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for FY 2021 and Notice of Forty-Second e-AGM, may temporarily get themselves registered with Skyline Financial Services Pvt Ltd at <http://www.skylinerta.com/>, [info@skylinerta.com](mailto:info@skylinerta.com) for receiving the same. Members are requested to support our commitment to environment protection by choosing to receive the Company's communication through email going forward.
13. In case a person becomes a member of the Company after dispatch of e-AGM Notice, and is a member as on the cut-off date for e-voting, i.e., Thursday, 23rd September 2021, such person may obtain the user id and password from Skyline by email request on [info@skylinerta.com](mailto:info@skylinerta.com).
14. The Register of Members and Share Transfer Books of the Company will be closed from 23rd September, 2021 to 29th September, 2021 (both days inclusive)
15. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
16. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
17. SEBI vide its notification dated 8th June 2018 as amended on 30th November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialise their physical holdings.
18. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

19. Those Members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 124 of the Companies Act, 2013 on the respective dates mentioned there against. Please note that as per Section 124 of the Companies Act, 2013, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date the dividend became due for payment and no payment shall be made in respect of such claims.

<b>Dividend for the Financial Year ended</b>	<b>Due date for Transfer</b>
31.03.2014	28th October, 2021
31.03.2015	28th October, 2022
31.03.2017	28th October, 2024

Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 2013-14 onwards before the respective amounts become due for transfer to the above fund.

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

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

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Saturday 25th September 2021 at 10:00 A.M. and ends on Tuesday, 28th September 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September 2021,**

**How do I vote electronically using NSDL e-Voting system?**





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

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 10px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at</p>

<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43
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**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csankitgandhi@gmail.com](mailto:csankitgandhi@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the [compliancestl@gmail.com](mailto:compliancestl@gmail.com).

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliancestl@gmail.com](mailto:compliancestl@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliancestl@gmail.com](mailto:compliancestl@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to

update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliancestl@gmail.com](mailto:compliancestl@gmail.com). The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. **The Results of the remote e-voting will be declared on or after the date of the AGM i.e. Wednesday 29<sup>th</sup> September, 2021.**
8. The declared Results, along with the Scrutinizer's Report, will be available on the Company's corporate website [www.sarupindustries.com](http://www.sarupindustries.com) under the section '**Investor Relations**' and on the website of NSDL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.



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

**ITEM NO:-3**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, appointed **MR. JAGDISH CHAND (DIN: 09294793)**, as an Additional Director of the Company by the Board of Directors with effect from 27th August,2021 under Section 161(1) of the Companies Act, 2013 and as per the Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office 27th August,2021 to 26th August,2026. Subject to the approval of the members.

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

**MR. JAGDISH CHAND** is working in the industry since a couple of years and has earned a good name in the industry to which company belongs.

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

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

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

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of **MR. JAGDISH CHAND** as an Independent Non-Executive Director for a term of five consecutive years from 27th August,2021 to 26th August,2026.

**MR. JAGDISH CHAND** would bring with him immense experience to the Company in the areas of investment strategy, operations and portfolio development.

**MR. JAGDISH CHAND** is not related to any Director of the Company.

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

**NAME:** - MR. JAGDISH CHAND

**DIN:** - 09294793

**DATE OF BIRTH:**-05.09.1964

**DATE OF FIRST APPOINTMENT IN THE BOARD:-** 27.08.2021

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

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

**LIST OF DIRECTORSHIP OF OTHER BOARD:-** N.A

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

**SHAREHOLDING IN COMPANY:-**NIL.

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

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

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

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

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

#### **ITEM NO:-4**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, appointed **MR. RAJINDER KUMAR BHATIA (DIN: 09294777)** as an Additional Director of the Company by the Board of Directors with effect from 27th August,2021 under Section 161(1) of the Companies Act, 2013 and as per the Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office from 27th August,2021 to 26th August,2026. Subject to the approval of the members.

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

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

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

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of **MR. RAJINDER KUMAR BHATIA** as an Independent Non-Executive Director for a term of five consecutive years from 27th August,2021 to 26th August,2026.

**MR. RAJINDER KUMAR BHATIA** is an energetic qualified entrepreneur. **MR. RAJINDER KUMAR BHATIA** would bring with him immense experience to the Company in the areas of human resource management and administration.

**MR. RAJINDER KUMAR BHATIA** is not related to any Director of the Company.

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

**NAME:** - MR. RAJINDER KUMAR BHATIA

**DIN:** - 09294777

**DATE OF BIRTH:**-24.03.1969

**DATE OF FIRST APPOINTMENT IN THE BOARD:**- 27.08.2021

**QUALIFICATION, EXPERIENCE & EXPERTISE:**- energetic qualified entrepreneur.

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

**LIST OF DIRECTORSHIP OF OTHER BOARD:**- N.A

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

**SHAREHOLDING IN COMPANY:**-NIL.

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

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

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

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

Accordingly, based on recommendation of Nomination and Remuneration Committee the Board of Directors recommends the Special Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

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

**Sd/-**  
**Simarjit Singh Bawa**  
**Managing Director**  
**Din: 00851651**

**Sd/-**  
**Atamjit Singh Bawa**  
**Director**  
**Din:00807400**

**Place: Jalandhar**  
**Date: 01.09.2021**

## DIRECTOR'S REPORT

To  
The Members

Your Directors have pleasure in presenting their **42nd Annual Report** on the Business and operations of a Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2021.

### 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.)
	<b>Year ended March 31st 2021</b>	<b>Year ended March 31st 2020</b>
Sales of products and services	996.91	2110.11
Other Income	7.19	14.96
Total Income	1004.11	2125.07
Total Expenditure other than Interest and Depreciation	1039.01	2274.17
Profit before Interest, Depreciation and Tax	-34.9	-149.10
Depreciation and Amortization Expenses	102.56	126.12
Profit before Interest and Tax	-137.46	-275.22
Finance Cost (net)	295.53	283.94
Profit before Tax	-432.99	-559.16
Provision for Current Tax	0	0
Tax expense	0	0
Provision for Deferred Tax	2.25	-3.88
Net Profit	-435.24	-555.28
Adjustments in respect of prior years	0	0
Surplus brought forward	-1772.86	-1217.58
Profit after Tax available for appropriation	-2208.11	-1772.86
Your Directors recommend appropriation as under:		
Proposed Dividend on Equity Shares	0	0
Dividend Tax on Proposed Dividend	0	0
Transfer to General Reserve	0	0
Income Tax /TDS/ wealth Tax Provision	0	0
Surplus Carried Forward	-2208.11	-1772.86
Total Appropriation	-2208.11	-1772.86

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

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

- Revenue from operations and sales decreased this year from Rs. Rs.21,10,11,400/- to Rs 9,96,91,327/- Further our Company putting the efforts to increase the sale as well as revenues of the Company.

### 3. PROPOSED TRANSFER TO GENERAL RESERVES

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

#### **4. DIVIDEND**

In order to conserve the resources of the Company, the director's have decided not to declare any Dividend for the financial year 2020-21.

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

There were no such material changes occurred affecting the financial position of the company between the end of the financial year 31.03.2021 to which the financial statements relate and the date of the report.

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

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

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

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

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

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

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

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

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

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

#### **10. CORPORATE SOCIAL RESPONSIBILITY**

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

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

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

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

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

### **13. DIRECTORS RESPONSIBILITY STATEMENT**

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

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

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

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

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

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

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

### **15. DEPOSITS**

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

Company duly filed Eform DPT-3 in ROC in regard to Exempted deposits during the year.

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

**a) Board Meetings**

The Board of Directors of the Company met Eight (08) times during the financial year 2020-21. The details of various Board Meetings are provided in the Corporate Governance Report.

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

- Mr. Rohit Rajpal appointed as an Independent director of the Company w.e.f. 30.05.2020.
- Mr. Gurcharan Singh appointed as an Independent director of the Company w.e.f. 26.08.2020
- Ms. Megha Gandhi resigned from the post of Company Secretary, Compliance officer and KMP of the Company w.e.f 13.11.2020.
- Ms. Pooja Chugh appointed as Company Secretary and Compliance Officer of the Company w.e.f. 05.03.2021.

**c) Re-Appointment**

In accordance with the provisions of the Act-

- **MS. LISSY JACOB (DIN: 07510795)**, Director is liable to retire by rotation at this Annual General Meeting and being eligible have offers herself for re-appointment.

**d) Independent Directors**

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

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

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

**f) Compliance with Secretarial Standards**

During the year under review, the Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

**g) Board Committees**

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

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

**h) Board Evaluation**

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

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

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

#### **h). Vigil Mechanism**

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

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

#### **i) Related Party Transactions**

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

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

No loans, guarantees and investments made by the company during the financial year 2020-21 exceeding limit prescribed under Section 186 of Companies act 2013.

### **18. AUDITORS**

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

### **19 SECRETARIAL AUDITORS:-**

In terms of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board appointed CS Dinesh Gupta (ICSI Membership No. F3462 and CP. No.1947 ) of M/s. Dinesh Gupta & Co. , Company Secretaries, Jalandhar, as the Secretarial Auditors of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2021 and to submit Secretarial Audit Report.

M/s Dinesh Gupta & Co. Jalandhar has risen following observation in its secretarial audit report dated-26.08.2021.

#### **Observations:-**

- The Company has not filed the IEPF-2 pursuant to the provisions of the Companies Act, 2013 during the Financial Year 2020-21.
- The Company has appointed Mr. Rohit Rajpal as an Independent Director in the FY 2020-21. But prior to his appointment, the Company has not got him registered in the Independent Director Data Bank pursuant to rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.

**Reply of the Board :-** a) There was delay in filing of Form IEPF-2 and Now Company is in process of filing the same and will take care in future.

b) The Company is in process of registration of Mr. Rohit Rajpal in the Independent Director Data Bank pursuant to rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.



## **20. CORPORATE GOVERNANCE**

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

The Register of Members and Share Transfer books of the company will be closed with effect from 23rd September, 2021 to 29th September, 2021 (both days inclusive).

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

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

The following is the summary of the complaints received and disposed off during the financial year 2020-21:

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

## **22. LISTING FEES**

The Company confirms that it has paid the annual listing fees for the year 2020-21 to Bombay Stock Exchange Limited.

## **23. ACKNOWLEDGEMENTS**

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

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

**Sd/-  
Simarjit Singh Bawa  
Managing Director  
Din: 00851651**

**Sd/-  
Atamjit Singh Bawa  
Director  
Din:00807400**

**Place: Jalandhar  
Date: 01.09.2021**

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

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

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

**A) Conservation of Energy**

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

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

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

**2) Additional investments and proposals:**

- I. Replacement of conventional lighting with energy efficient lights to reduce lighting power consumption.
- II. Expenditure on power and fuel during the year ending 31st March, 2021 under review is Rs. 47.46 lakh.

**B) Technology Absorption**

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

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

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

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

- (a) Development of products international quality.
- (b) New techniques and technology of production.
- (c) Provide benefits that are cost effective from both an individual and a company perspective.
- (d) Continuous and strengthened technical efforts for development and Production of wide range of shoes.

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

The details of which are as follows:-

S.No.	Details of Technology Imported	Technology Import from	Year of Import	Status Implementation/ Absorption
1.	Pu Synthetic Leather	CHINA	2018-19	IN OPEARTIONS
2.	Polystar Knitted Fabric	CHINA	2018-19	IN OPEARTIONS
3.	EVA injection moved	CHINA	2018-19	IN OPEARTIONS
4.	In sole/out sole	CHINA	2018-19	IN OPEARTIONS
5.	Moulds	CHINA	2019-20	IN OPEARTIONS
6.	Soles/Socks	CHINA	2020-21	IN OPEARTIONS
7.	Mould	CHINA	2020-21	IN OPEARTIONS

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

S.No.	Particulars	Amount (in Rs.)
1.	Business promotion expenses	22,285/-
2.	Staff welfare expenses	1,37,534/-

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

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

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

Sd/-  
**Simarjit Singh Bawa**  
Managing Director  
Din: 00851651

Sd/-  
**Atamjit Singh Bawa**  
Director  
Din:00807400

Place: Jalandhar  
Date: 01.09.2021

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

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

**As on financial year ended on 31.03.2021**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L19113PB1979PLC004014
2.	Registration Date	27/07/1979
3.	Name of the Company	SARUP INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE/INDIAN NON GOVERNMENT COMPANY
5.	Address of the Registered & other office	REGISTRED OFFICE:-141 LEATHER COMPLEX JALANDHAR 144001 IN
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES PVT LTD SHOP NO.D-153/A, I-AREA, OKHLA PHASE I, OKHLA INDUSTRIAL AREA, NEW DELHI, DELHI 110020 Tel.: +91 11 64732681-88
8.	Web address	www.sarupindustries.com
9.	Email Id & Phone No	shareholders@bawastl.com; Tel: 0181-5021037

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

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

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Changed During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter &amp; Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2418500	0	2418500	74.36	2418500	0	2418500	74.36	0
b) Central Govt/	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e)Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter(A)</b>	<b>2418500</b>	<b>0</b>	<b>2418500</b>	<b>74.36</b>	<b>2418500</b>	<b>0</b>	<b>2418500</b>	<b>74.36</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

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i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	32214	2200	34414	1.06	30838	2200	33038	1.02	0.04
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	436391	111427	547818	16.84	411050	110927	521977	16.05	0.79
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	187744	0	187744	5.77	210871	0	210871	6.48	0.71
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	10266	0	10266	0.32	10266	0	10266	0.32	0
Hindu Undivided Family	13564	0	13564	0.42	15184	0	15184	0.47	0.05
Clearing Members	0	0	0	0	2470	0	2470	0.08	0.08
NBFCs Registered with RBI	3400	0	3400	0.10	3400	0	3400	0.10	0
IEPF	36694	0	36694	1.13	36694	0	36694	1.13	0
<b>Sub-total (B)(2):-</b>	<b>720273</b>	<b>113627</b>	<b>833900</b>	<b>25.64</b>	<b>720773</b>	<b>113127</b>	<b>833900</b>	<b>25.64</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	720273	113627	833900	25.64	720773	113127	833900	25.64	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>3138773</b>	<b>113627</b>	<b>3252400</b>	<b>100.00</b>	<b>3139273</b>	<b>113127</b>	<b>3252400</b>	<b>100.00</b>	<b>0</b>

**(B) Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ATAMJIT SINGH BAWA	2257094	69.40	0	2257094	69.40	0	0
2	SIMARJIT SINGH BAWA	161406	4.96	0	161406	4.96	0	0

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

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

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No.	Name of the Shareholder	Shareholding		Date (as on or before)	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
		No. of shares at the beginning (1.04.2020)/ end of the year (31.03.2021)	% of total shares of the Company				No. of shares at the beginning (1.04.2020)/ end of the year (31.03.2021)	% of total share of the Company
1.	RAJESH KUMAR AGGARWAL	58045	1.78	As on 01.04.2020			58045	1.78
				12.06.2020	1305	Purchase	59350	1.82
				19.06.2020	122	Purchase	59472	1.83
				26.06.2020	35	Purchase	59507	1.83

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				30.06.2020	28	Purchase	59535	1.83
				10.07.2020	13	Purchase	59548	1.83
				21.08.2020	-148	Sale	59400	1.83
				28.08.2020	100	Purchase	59500	1.83
				11.12.2020	50	Purchase	59550	1.83
				25.12.2020	45	Purchase	59595	1.83
				19.02.2021	432	Purchase	60027	1.85
		60027	1.85	As on 31.03.2021				
2.	SANGEETHA S	57680	1.77	As on 01.04.2020			57680	1.77
		57680	1.77	As on 31.03.2021	0	No Change	57680	1.77
3.	ANANT PRASAD AGARWAL	39962	1.23	As on 01.04.2020			39962	1.23
				19.06.2020	25	Purchase	39987	1.23
				26.06.2020	63	Purchase	40050	1.23
				25.12.2020	100	Purchase	40150	1.23
				08.01.2021	51	Purchase	40201	1.24
				15.01.2021	57	Purchase	40258	1.24
				29.01.2021	127	Purchase	40385	1.24
		40385	1.24	As on 31.03.2021				
4	PUNEET DEWAN	32057	0.99	As on 01.04.2020			32057	0.99
		32057	0.99	As on 31.03.2021	0	No Change	32057	0.99
5	RAMAKANT AND CO PRIVATE LIMITED	23803	0.73	As on 01.04.2020			23803	0.73
		23803	0.73	As on 31.03.2021	0	No Change	23803	0.73
6	MEYYAPPAN RM	15022	0.46	As on			15022	0.46



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				31.03.2020				
				15.05.2020	-15	Sale	15007	0.46
				22.05.2020	-1	Sale	15006	0.46
				05.06.2020	-4	Sale	15002	0.46
				12.06.2020	-128	Sale	14874	0.46
				19.06.2020	338	Purchase	15212	0.47
				26.06.2020	976	Purchase	16188	0.50
				30.06.2020	163	Purchase	16351	0.50
				03.07.2020	160	Purchase	16511	0.51
				10.07.2020	-30	Sale	16481	0.51
				24.07.2020	328	Purchase	16809	0.52
				18.09.2020	1795	Purchase	18604	0.57
				22.09.2020	17	Purchase	18621	0.57
				25.09.2020	70	Purchase	18691	0.57
				30.09.2020	160	Purchase	18851	0.58
				02.10.2020	49	Purchase	18900	0.58
				09.10.2020	284	Purchase	19184	0.59
				16.10.2020	275	Purchase	19459	0.60
				23.10.2020	100	Purchase	19559	0.60
				30.10.2020	50	Purchase	19609	0.60
				06.11.2020	50	Purchase	19659	0.60
				12.02.2021	592	Purchase	20251	0.62
				19.02.2021	150	Purchase	20401	0.63
				19.03.2021	271	Purchase	20672	0.64
				31.03.2021	50	Purchase	20722	0.64
		20722	0.64	As on 31.03.2021				
7	SHASHI KANT	20000	0.61	As on 31.03.2020	0	No Change	20000	0.61
		20000	0.61	As on 31.03.2021			20000	0.61
8	VANDNA .	20000	0.61	As on 31.03.2020	0	No Change	20000	0.61
		20000	0.61	As on 31.03.2021			20000	0.61
9	NEELIMA AGRAWAL	19563	0.60	As on 31.03.2020	0	No Change	19563	0.60
		19563	0.60	As on 31.03.2021			19563	0.60
10	Y GOKUL	16439	0.51	As on 31.03.2020	0	No Change	16439	0.51
		16439	0.51	As on 31.03.2021			16439	0.51

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

S.No	Name of the Shareholder	Shareholding		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
		No. of shares at the beginning (1.04.2020)/ end of the year (31.03.2021)	% of total Shares of the Company				No. of shares at the beginning (1.04.2020)/ end of the year (31.03.2021)	% of total shares of the Company
1	Simarjit Singh Bawa	161406	4.96	01/04/2020				
					0	No Movement	161406	4.96
		161406	4.96	31/03/2021				
2	Atamjit Singh Bawa	2257094	69.40	01/04/2020				
					0	No Movement	2257094	69.40
		2257094	69.40	31/03/2021				
3	Gurendra Singh Bedi	200	0.0061	01/04/2020				
					0	No Movement	200	0.0061
		200	0.0061	31/03/2021				

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

	Secured Loans excluding deposits (in Lacs)	Unsecured Loans (in Lacs)	Deposits (in Lacs)	Total Indebtedness (in Lacs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1536.16	2280.74	-	3816.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1536.16</b>	<b>2280.74</b>	<b>-</b>	<b>3816.90</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	382.5	14.02	-	396.52
* Reduction	-	-	-	-
<b>Net Change</b>	<b>382.5</b>	<b>14.02</b>	<b>-</b>	<b>396.52</b>

Indebtedness at the end of the financial year				
i) Principal Amount	1918.66	2294.76	-	4213.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1918.66</b>	<b>2294.76</b>	<b>-</b>	<b>4213.42</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
		<b>SIMARJIT SINGH BAWA MANAGING DIRECTOR</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	267600	267600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	156000	156000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	423600	423600
	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

#### C.

S.No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
1	Independent Directors	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL
	Commission	NIL	NIL
	Others, please specify	NIL	NIL

	Total (1)	NIL	NIL
2	Other Executive or/ and Non-Executive Directors	NIL	NIL
	Basic salary	NIL	NIL
	Fee for attending board committee meetings**	NIL	NIL
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	Total (2)	NIL	NIL
	Total (B)=(1+2)	NIL	NIL
	Total Managerial Remuneration (A+B)	423600	423600

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

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

SN	Particulars of Remuneration	Key Managerial Personnel			Total Amount (in Rs.)
		COMPANY SECRETARY MS. MEGHA GANDHI	COMPANY SECRETARY MS. POOJA CHUGH	CFO MR. SAJAN	
1	Gross salary	100855	15106	292274	408235
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	100855	15106	292274	408235
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission-as % of profit	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>100855</b>	<b>15106</b>	<b>292274</b>	<b>408235</b>

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

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

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

**Simarjit Singh Bawa**  
**Managing Director**  
**Din: 00851651**

**Atamjit Singh Bawa**  
**Director**  
**Din:00807400**

**Place: Jalandhar**  
**Date: 01.09.2021**

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**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 - NIL
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship- Bawa Skin Company, a partnership firm where relatives' of promoters of M/.s Sarup Industries Ltd are partners.
  - (b) Nature of contracts/arrangements/transactions- Leasing of property and selling of goods.
  - (c) Duration of the contracts / arrangements/transactions- NA
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any-For sale/purchase of footwear, leather goods, providing/receiving services, leasing and other allied goods and services.
  - (e) Date(s) of approval by the Board, if any-11.02.2016
  - (f) Amount paid as advances, during the year if any- 8,06,519/-

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

**Simarjit Singh Bawa**  
**Managing Director**  
**Din: 00851651**

**Atamjit Singh Bawa**  
**Director**  
**Din:00807400**

**Place: Jalandhar**  
**Date: 01.09.2021**

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

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

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of the Director</b>	<b>Ratio to the Median</b>
	Mr. Simarjit Singh Bawa, Managing Director	3.50
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Directors & Key Managerial Personnel	% increase
	No Increase This Year	
(iii) the percentage increase in the median remuneration of employees in the financial year;	No Increase.	
(iv) the number of permanent employees on the rolls of company;	388	
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	No Increase.	
(vi) the key parameters for any variable component of remuneration availed by the directors;	Variable Pay is in accordance with the performance of the company as well as the individual.	
(vii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, the remuneration is as per the Remuneration Policy of the Company.	

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

Sd/-  
Simarjit Singh Bawa  
Managing Director  
Din: 00851651

Sd/-  
Atamjit Singh Bawa  
Director  
Din:00807400

**Place: Jalandhar**  
**Date: 01.09.2021**

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year Ended March 31, 2021**

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

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

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

Based on our verification of 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; **(To the extent applicable to the Company)**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
- i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**

Other laws applicable on the Company including

- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Employee Compensation Act, 1923
- Income tax Act, 1961
- Goods & Services Tax Act, 2017
- The Factories Act, 1948
- Industrial Dispute Act, 1947
- The payment of wages Act, 1948
- The minimum wages Act, 1948
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946
- The Apprentices Act, 1961

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

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

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

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

- a) *The Company has not filed the IEPF-2 pursuant to the provisions of the Companies Act, 2013 during the Financial Year 2020-21.*
- b) *The Company has appointed Mr. Rohit Rajpal as an Independent Director in the FY 2020-21. But prior to his appointment, the Company has not got him registered in the Independent Director Data Bank pursuant to rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.*

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Companies Act, 2013, 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.
- All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.
- We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**Dinesh Gupta**  
**Partner**  
**M. No. F3462,**  
**COP No. 1947**  
**UDIN: F003462C000836866**

**Date: August 26, 2021**  
**Place: Jalandhar**



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**

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

Sir,

We have conducted the Secretarial Audit for the Financial Year 2020-2021 for the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sarup Industries Limited** (hereinafter referred to as the 'Company'). Our report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a reasonable basis for our opinion.
4. 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.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

6. Some of the books and papers were verified through online means due to the prevailing COVID-19 and due efforts have been made by the Company to make available all the relevant documents and records and by the Auditors to conduct and complete the audit in aforesaid lockdown conditions.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
8. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Date: August 26, 2021**  
**Place: Jalandhar**

**Dinesh Gupta**  
**Partner**  
**M. No. F3462, COP No. 1947**  
**UDIN: F003462C000836866**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **ECONOMIC OVERVIEW**

The financial year 2020-21 was undoubtedly one of the toughest years we have had to face. However, like a lighthouse, we stood strong and determined in the face of adversity, staying true to our ethos of resilience, agility and ingenuity. As an organisation that has weathered the worst of storms in human history, we resolutely continued serving our customers with the same passion and helping the society at large in its fight against Covid.

The industry is witnessing an upward revision and anticipates a vaccine-powered recovery in the second half of 2021-22, however, there may remain a subdued economic activity in non-essential retail business. High uncertainty surrounds this outlook, due to the pandemic, to the speed of vaccine-powered normalization and the evolution of financial conditions.

Under the “New Normal” as India shifted to “Work From Home” and with socialising becoming a rare occasion, shoppers are purchasing casual and comfortable open footwear.

The silver lining, however, is the increasing awareness of health, thereby driving the demand for sports footwear. The retail footwear business is expected to improve gradually as economic activity is improving.

### **INDUSTRY STRUCTURE & DEVELOPMENT**

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

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Research and Development.</li> <li>• Growing international &amp; domestic market.</li> <li>• Outsourcing</li> <li>• Government support in various subsidy schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental problems.</li> <li>• Dependence on imported machines and components</li> <li>• Dependency on footwear sale.</li> <li>• Marketing and Campaigns</li> </ul>
<b>OPPURTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Use of e-commerce in direct marketing.</li> <li>• Increase quality, innovation, competition &amp; brand building.</li> <li>• Growing fashion consciousness globally as well as domestic market</li> </ul>	<ul style="list-style-type: none"> <li>• Entry of multinational in domestic market.</li> <li>• Increasing trend of E-commerce.</li> <li>• Stricter international standards.</li> </ul>

## **OUTLOOK**

The current economic state, challenging retail environment and new waves of pandemic pose threats to businesses across all sectors. The Country wide lockdowns and the “New Normal” has led to fundamental shift in customer behaviour and retail businesses in particular. Your Company is focused on “Survive, Revive, Revitalise and Thrive” strategy and is constantly monitoring the store level performance, driving sales through online channels and cost optimisation across all functions. Your Company is strategically positioned to harness the present challenges, given the strength of its Brand, innovation capabilities, retail foothold and growing online presence in footwear and accessories category.

## **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 AND DISCUSSION ON FINANCIAL PERFORMANCE AND DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

The operations and consequential financial performance of the Company remained impacted throughout the year under review due to the Covid-19 pandemic.

Sale as well as revenue of your Company is decreased. Revenue from operations decreased this year from Rs. Rs.21,10,11,400/- to Rs 9,96,91,327/-. But your Company putting the efforts to cover all the losses of the company and trying to increase the sale as well as revenues of the Company this year.

Due to decrease in revenue and losses in the company, all the ratios like Turnover Ratio, Debt Equity Ratio, Profit Margin Ratio etc are negative during the year.

The significant changes over previous year across all ratios is due to lower sales, slower realisations, stores remaining closed due to lockdowns and other economic disruptions caused by the Covid-19 pandemic.

## **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.

## **PERFORMANCE**

The Company operates in single segment i.e manufacturing of shoe and shoe upper. There has been no change during the year under review in the nature of business pursued by the Company. The Company aims to create sustainable vision to grow the business and make long-term strategic investments in various new ventures promoted by the Company.

## **RISK MANAGEMENT**

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

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

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

## **HUMAN RESOURCES**

One of the key pillars of the Company's business is its people. The Company's HR policies and practices are built on core values of Integrity, Passion, Speed, Commitment and Seamlessness. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is into a continuous process of providing a safe work environment for our employees and stakeholders. As on March 31, 2021, the total employees on the Company's rolls stood at 388.

## **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.

## **ACKNOWLEDGEMENTS**

Your Board acknowledges, appreciates and values the unwavering efforts by the employees, workmen and staff including the Management headed by the Directors who have all worked together as a team despite the pandemic and overall challenging business environment. Your Board also appreciates the Independent Directors and the Non-Executive Directors of the Company for their contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which helps your Company to take the right decisions in achieving its business goals. Your Board also wishes to place on record their deep appreciation to the Company's employees, suppliers, customers and Government authorities for their selfless efforts in helping your Company to operate whenever permissible during the pandemic.

## CORPORATE GOVERNANCE REPORT

### 1. THE COMPANY'S PHILOSOPHY

Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of information. In 'Sarup Industries', we believe that a high standard of Corporate Governance is the essence of business growth and investor confidence. The Company aims at to set the highest standards of governance, meticulously pursue them and thereby maximize value for its shareholders and fairness to its customers, employees and public at large.

### 2. BOARD OF DIRECTORS

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

#### **Composition and Category of Directors and attendance at the Board Meetings**

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

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

S.NO	FULL NAME OF DIRECTOR (S)	DIN/PAN	DESIGNATION	DATE OF APPOINTMENT
1	Simarjit Singh Bawa	00851651	Managing Director	22/09/1995
2	Atamjit Singh Bawa	00807400	Director	01/10/2005
3	Ashwani Arora	01809365	Director	28/09/2007
4	Gurendra Singh Bedi	02442047	Independent Director	22/09/1995
5	Harnarinder Deep kaur	07592946	Independent Director	13/08/2016
6	Lissy Jacob	07510795	Director	05/05/2016
7	Surinder Singh Cheema	07273630	Independent Director	13/08/2015
8	Rohit Rajpal	08750443	Independent Director	30/05/2020
9	Gurcharan Singh	02425153	Independent Director	26/08/2020

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

S.N O	FULL NAME OF DIRECTOR (S)	DIN/PAN	NO OF BOARD AND COMMITTEE IN WHICH MEMBER OR CHAIRPERSON	LISTED/UNLISTE D ENTITY NAME	NO. OF BOARD MEETINGS IN THE YEAR IN SARUP INDUSTRIES LIMITED	
					HELD	ATTEND ED
1	Simarjit singh bawa	00851651	1	YOUNG PRESIDENT'S ORGANISATION (PUNJAB CHAPTER) (Unlisted)	8	8
2	Atamjit Singh Bawa	00807400	NIL	NIL	8	8
3	Ashwani Arora	01809365	NIL	NIL	8	5
4	Gurendra Singh Bedi	02442047	NIL	NIL	8	1
5	Harnarinder Deep Kaur	07592946	NIL	NIL	8	2
6	Lissy Jacob	07510795	NIL	NIL	8	1
7	Surinder Singh Cheema	07273630	NIL	NIL	8	3
8	Rohit Rajpal	08750443	NIL	NIL	7	7
9	Gurcharan Singh	02425153	NIL	NIL	5	0

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

<b>30<sup>th</sup> May, 2020</b>	<b>30<sup>th</sup> June, 2020</b>	<b>26<sup>th</sup> August, 2020</b>	<b>31<sup>th</sup> August, 2020</b>
<b>13<sup>th</sup> November, 2020</b>	<b>13<sup>th</sup> February, 2021</b>	<b>23<sup>rd</sup> March, 2021</b>	<b>30<sup>th</sup> March, 2021</b>

### **3. COMMITTEES OF THE BOARD**

#### **a) Audit Committee**

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

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

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	MR. ASHWANI ARORA	Chairman	Executive	6	5
2	MR. ROHIT RAJPAL	Member	Independent Non Executive	5	5
3	MR. SURINDER SINGH CHEEMA	Member	Independent Non Executive	6	2

**The Audit Committee had met 6(Six) times during the year 2020-21**

<b>30th May, 2020</b>	<b>30th June, 2020</b>	<b>31th August, 2020</b>
<b>13th November, 2020</b>	<b>13th February, 2021</b>	<b>30th March, 2021</b>

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

- To investigate any activity within its terms of reference.
- To obtain outside legal or other professional advice.
- Compliance with the accounting standards.

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

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

Review of information

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

**b) Nomination and Remuneration Committee**

The Board has constituted Nomination and Remuneration Committee in accordance with the requirements of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015. The terms of reference of Nomination and Remuneration Committee include the powers and role stipulated in Schedule II SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

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

Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	MR. ROHIT RAJPAL	Chairman	Independent Non Executive	2	2
2	MR. SURINDER SINGH CHEEMA	Member	Independent Non Executive	3	3
3	MS. HARNARINDER DEEP KAUR	Member	Independent Non Executive	3	2

**The Nomination and Remuneration Committee had met 3 (Three) times during the year 2020-21:-**

30th May, 2020	26 <sup>th</sup> August, 2020	30th March, 2021

The Key Objectives of the Committee would be:

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

#### Remuneration Policy

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

#### Performance evaluation of the Independent directors

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

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

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

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



Sr No	Name	Designation	Category	Meetings	
				Held	Attended
1	MR. ROHIT RAJPAL	Chairman	Independent Non Executive	1	1
2	MR. SURINDER SINGH CHEEMA	Member	Independent Non Executive	1	1
3	Mr. ASHWANI ARORA	Member	Executive Director	1	0

**The Stakeholder's Relationship Committee had met 2 (two) time during the year 2020-21**

30 <sup>th</sup> June, 2020	30th March, 2021

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

The Committee performs the following functions:

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

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

**Shareholders Complaints & Requests-** Status of Request/Complaints during the period of 01.04.2020 to 31.03.2021.

Sr No	REQUESTS/COMPLAINTS	Received	Replied/ Resolved
1	For Change of address	0	0
2	For Revalidation of Dividend Warrants/ DD's	3	3
3	For Duplicate issue of shares	0	0
4	For Transfer of Shares/Transmission of Shares	0	0
5	SCORE complaints	0	0
6	Others	5	5
	<b>TOTAL</b>	<b>8</b>	<b>8</b>

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

<b>Financial Year Ended</b>	<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Venue</b>
31st March 2020	28th September 2020	Monday	11.00 AM	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility.
31st March 2019	27th September 2019	Friday	10.30 AM	Prithvi's Planet Guru Teg Bahadur Nagar, Jalandhar
31st March 2018	28th September 2018	Friday	11.00 AM	Prithvi's Planet Guru Teg Bahadur Nagar, Jalandhar

#### **5. MEANS OF COMMUNICATION**

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

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

#### **6. GENERAL SHAREHOLDER INFORMATION**

Date of incorporation	27th July, 1979
Registered office	Plot No 141,Leather Complex, Jalandhar – 144021
Date and Time of Annual General Meeting	Wednesday, the 29th day of September, 2021 at 01:30 P.M
Deemed Venue of Annual General Meeting	P O Ramdaspora, Jalandhar-144001, Punjab

Date of Book Closure	23rd September, 2021 to 29th September, 2021
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<b>Financial Calendar</b>	
Financial reporting for 1st Qtr. ending June 30, 2021	End of July 2021
Financial reporting for 2nd Qtr. ending Sept 30, 2021	End of October 2021
Financial reporting for 3rd Qtr. ending Dec 31, 2021	End of January 2022
Financial reporting for 4th Qtr. ending March 31, 2022	End of May 2022

<b>Listing on Stock Exchange</b>	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 2020-21 has been paid to the Bombay Stock Exchange.
<b>Registrar and Transfer Agents</b>	Skyline Financial Services Pvt. Ltd

	D-153 A, 1st Floor, Okhla Industrial Area Phase- I, New Delhi- 110020 Contact Person- Mr. Parveen Kumar, Tele: 011-26812683
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<b>Scrip Code</b>	(BSE) – 514412
<b>ISIN Code</b>	(NSDL) - INE 305D0101 9

#### Share Transfer

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

#### Stock Data

Following Table gives the monthly high and low prices and volumes of equity shares of the Company at BSE for the year ended March 31, 2021.

#### For the Period: April 2020 to March 2021

	Month	High	Low	No. of Shares
a.	April 20	31.50	27.80	285
b.	May 20	29.35	28.05	37
c.	June 20	28.75	22.80	8236
d.	July 20	27.80	22.50	4272
e.	Aug 20	27.50	20.05	11528
f.	Sep 20	21.95	16.75	6287
g.	Oct 20	20.00	17.15	1259
h.	Nov 20	19.95	19.00	101
i.	Dec 20	19.80	15.70	3346
j.	Jan 21	18.05	14.55	3114
k.	Feb 21	19.99	13.30	3386
	Mar 21	19.90	15.30	6709

#### Distribution of Shareholding as on 31st March, 2021 (Nominal Value of shares Rs 10)

Share or Debenture holding Nominal Value(Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	1608	91.31	1862050.00	5.73
5001 To 10,000	65	3.69	503770.00	1.55
10001 To 20,000	33	1.87	474150.00	1.46
20001 To 30,000	16	0.91	403920.00	1.24
30001 To 40,000	7	0.40	243070.00	0.75
40001 To 50,000	8	0.45	375490.00	1.15
50001 To 1,00,000	7	0.40	495150.00	1.52
1,00,000 and Above	17	0.97	28166400.00	86.60
<b>Total</b>	<b>1761</b>	<b>100.00</b>	<b>32524000.00</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March 2021**

Category of Shareholders	No. of Shareholders	No. of fully paid up equity shares held	Shareholding as a %
(A) Promoter & Promoter Group	2	24,18,500	74.36
(B) Public	1759	8,33,900	25.64
<b>Total</b>	<b>1761</b>	<b>32,52,400</b>	<b>100.00</b>

**Dematerialization of shares & liquidity as on 31st March, 2021.**

	Number of shares	% of Total Issued Cap.
Shares held in dematerialized form in CDSL	943754	7.59
Shares held in dematerialized form in NSDL	2195519	88.91
Shares held in Physical	113127	3.49
<b>Total</b>	<b>3252400</b>	<b>100%</b>

**7. COMMUNICATION ADDRESS**

**Location Address**

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

**Address for Correspondence:**

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

**Company Office**

Megha Gandhi, Company Secretary  
Sarup Industries Limited  
141- Leather Complex,  
Jalandhar-144003, Punjab  
Phone Nos: 0181-5021037  
Email: compliancestl@gmail.com

**Registrars and Transfer Agent**

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

**8. OTHER DISCLOSURES**

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

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

Necessary disclosures under the Accounting Standards 18 relating to the related Party transactions form part of the accounts for the year 2020-21

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

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

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

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

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

**d) Declaration by Managing Director**

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2021, is annexed to the Corporate Governance Report.

**e) Whistle blower policy**

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

Please refer this link for read the whistle blower policy [sarupindustries.com/financials/whistle\\_blower\\_policy.pdf](http://sarupindustries.com/financials/whistle_blower_policy.pdf)

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To,  
The Members  
Sarup Industries Limited

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

This is to certify that

- The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
- The Code of Conduct has been posted on the website of the Company.
- The Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year 2020-21.

Date: 01.09.2021  
Place: Jalandhar

SIMARJIT SINGH BAWA  
Managing Director

**CEO/CEO CERTIFICATION**

To,

The Board of Directors,  
Sarup Industries Limited

We hereby certify that for the financial year 2020-21.

1. We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - significant changes, if any, in internal control over financial reporting during this year;
  - significant changes, if any, in accounting policies during this year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sarup Industries Limited

Place: Jalandhar  
Dated: 01.09.2021

SAJAN  
Chief Financial Officer

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

**AUDITORS CERTIFICATE**

To

The Member of

SARUP INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by SARUP INDUSTRIES LIMITED for the year ended 31st March, 2021 as stipulated in Chapter IV of SEBI ( Listing Obligations And Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

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

**For VSAP & Associates**  
**Chartered Accountants**

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

**Place: Jalandhar**  
**Date: 01.09.2021**

**INDEPENDENT AUDITOR'S REPORT**

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

**I. Report on the Audit of the Standalone Financial Statements**

**1. Opinion**

- A. We have audited the accompanying Standalone Financial Statements of SARUP INDUSTRIES LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

**2. Basis for Opinion**

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

**3. Key Audit Matters**

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

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

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial



statements does not cover the other information and we do not express any form of assurance conclusion thereon

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

## **5. Management's Responsibility for the Standalone Financial Statements**

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

- D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- E. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For VSAP & Associates**  
**Chartered Accountants**

**Place : JALANDHAR**  
**Date : 30/06/2021**

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

**ANNEXURE TO THE AUDITORS' REPORT**

**The Annexure referred to in our report to the members of SARUP INDUSTRIES LTD for the year ended 31<sup>st</sup> March, 2021.**

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

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

debt instruments)

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

**For VSAP & Associates**  
**Chartered Accountants**

**Place : JALANDHAR**  
**Date : 30/06/2021**

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

**ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **SARUP INDUSTRIES LTD.** ("The Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For VSAP & Associates**  
**Chartered Accountants**

**Place : JALANDHAR**  
**Date : 30/06/2021**

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

**SARUP INDUSTRIES LIMITED**  
**42nd ANNUAL REPORT 2020-21**

**Sarup Industries Limited**  
**Balance Sheet as at March 31, 2021**

(Amount in Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	97,381,459	107,363,091
(b) Capital work-in-progress	3	160,276,391	159,981,962
(c) Intangible Assets	4		
(d) Investment in an associate and a joint venture	5		
(e) Financial Assets			
(i) Investments	6	2,894,914	2,894,914
(ii) Loans	6		
(iii) Other non-current financial assets	6		
(f) Prepayments	7		
(g) Income tax assets (net)	8	6,474,805	10,951,346
(h) Other non-current assets	9	2,137,967	2,137,967
<b>(2) Current assets</b>			
(a) Inventories	10	290,978,352	293,303,436
(b) Financial Assets			
(i) Investments	6		
(ii) Trade Receivables	11	99,633,344	94,495,600
(iii) Cash and cash equivalents	12	5,264,226	6,327,285
(iv) Loans	6	45,158,661	43,654,176
(v) Other current financial assets	6		
(c) Prepayments	7		
(d) Other current assets	9		
(e) Non-current assets held for sale	13		
<b>Total Assets</b>		<b>710,200,118</b>	<b>721,109,776</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	14	32,524,000	32,524,000
(b) Other Equity	15	(43,401,946)	121,627
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	331,872,248	239,159,930
(b) Long-term provisions	17	37,259,849	37,259,849
(c) Deferred tax liabilities (Net)	18		
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Secured Liabilities	16	89,469,940	142,530,190
(ii) Trade Payables	19	136,031,420	138,330,693
(iii) Other current financial liabilities	20	20,665,187	20,665,187
(b) Other current liabilities	21	105,779,420	110,518,301
(c) Short-term provisions	17		
<b>Total Equity and Liabilities</b>		<b>710,200,118</b>	<b>721,109,776</b>

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

As per our report of even date

**For VSAP & Associates**

ICAI Firm Registration No: 018705N

Chartered Accountants

(AMIT CHADHA )

Partner

Membership No. 507087

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

Atamjit Singh Bawa  
Director  
(DIN - 807400)

Simarjit Singh Bawa  
Managing Director  
(DIN -00851651)

Ashwani Arora  
Director  
(DIN-01809365)

CA Sajan  
Chief Financial Officer

Place: Jalandhar  
Date: 30.06.2021

Pooja Chugh  
Company Secretary



**Sarup Industries Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

(Amount in INR , unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>I INCOME</b>			
(a) Revenue From Operations	22	99,691,327	211,011,400
(b) Other Income	23	719,512	1,495,503
<b>Total Income (I)</b>		<b>100,410,839</b>	<b>212,506,903</b>
<b>II EXPENSES</b>			
(a) Cost of raw material and component Consumed	24	54,238,087	120,548,140
(b) Purchases of traded goods	25		
(c) Changes in inventories of finished goods, work in progress and	25	8,497,246	6,580,417
(d) Employee Benefits Expense	26	25,348,877	70,629,609
(e) Finance Costs	28	29,553,172	28,394,407
(f) Depreciation and amortization expense	27	10,256,076	12,612,284
(g) Other Expenses	29	15,816,445	29,658,759
<b>Total expenses (II)</b>		<b>143,709,903</b>	<b>268,423,615</b>
<b>III Profit before tax (I-II)</b>		<b>(43,299,064)</b>	<b>(55,916,712)</b>
<b>IV Tax expense:</b>			
(1) Current Tax			
-For the current period	18		
-Adjustments for tax relating to earlier years	18		
(2) Deferred Tax	18	224,509	(388,092)
<b>V Profit for the period (III-IV)</b>		<b>(43,523,573)</b>	<b>(55,528,620)</b>
<b>VI Other Comprehensive Income / (loss)</b>	30	-	-
<b>VII Total Comprehensive Income for the year (V-VI)</b> <b>(Comprising Profit (Loss) and Other Comprehensive</b>		<b>(43,523,572)</b>	<b>(55,528,620)</b>
<b>VIII Earnings per equity share[face value of share Re10 (March 31,</b> <b>Basic &amp; diluted EPS ( In INR)</b>	31	-13.38	-17.07

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

As per our report of even date

For VSAP & Associates

ICAI Firm Registration No: 018705N

Chartered Accountants

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

(AMIT CHADHA )  
Partner  
Membership No. 507087

Atamjit Singh Bawa  
Director  
(DIN - 807400)

Simarjit Singh Bawa  
Managing Director  
(DIN -00851651)

Ashwani Arora  
Director  
(DIN-01809365)

CA Sajan  
Chief Financial Officer

Place: Jalandhar  
Date: 30.06.2021

Pooja Chugh  
Company Secretary

**SARUP INDUSTRIES LIMITED**  
**42nd ANNUAL REPORT 2020-21**

**Sarup Industries Limited**  
**Cash Flow Statement for the year ended March 31, 2021**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	(43,523,573)	(55,528,620)
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	10,256,076	12,612,284
Loss on Sale of Property, plant and equipment and Intangible assets (net)	-	-
Property, plant and equipment Scrapped/Written Off	-	-
Interest Income	-	-
Interest expense (including unwinding of discount on warranty and lease obligation)	28,677,125	26,752,657
Provision on loans & advances created /(written back)	-	-
Provision for doubtful debts created/(written back)	-	-
Fair value (gain)/loss on Investment (net)	-	-
Gain on sale of investments (net)	-	-
Unrealised foreign exchange (gain)/loss (net)	-	-
Mark to Market (gain)/loss on Forward Contracts	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(4,590,372)</b>	<b>(16,163,679)</b>
<b>Movement in working capital:</b>		
Increase/(decrease) in Provisions	-	-
Increase/(decrease) in Trade payables	(2,299,273)	-
Increase/(decrease) in Other financial liabilities	-	-
Increase/(decrease) in Other liabilities	(15,124,720)	(10,385,839)
Increase /(decrease in Borrowings	-	-
Decrease/(increase) in Loans	(1,504,485)	-
Decrease/(increase) in Other assets	4,476,541	-
Decrease/(increase) in Investments	-	-
Decrease/(increase) in Secured Liabilities	-	-
Decrease/(increase) in Inventories	2,325,084	-
Decrease/(increase) in Trade receivables	(5,137,744)	-
<b>Cash generated from operations</b>	<b>(17,264,598)</b>	<b>(10,385,839)</b>
Direct Taxes Paid (net of refunds)	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(17,264,598)</b>	<b>(10,385,839)</b>
<b>Cash Flow from Investing Activities</b>		
Interest Received	-	-
Purchase of property, plant and equipment, intangible assets and CWIP including capital advance	(568,873)	(12,612,284)
Proceeds from sale of property, plant and equipment including Intangible assets	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(568,873)</b>	<b>(12,612,284)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long term borrowing	92,712,318	-
Net increase /( Decrease) in working capital	(53,060,250)	-
Dividend Paid (Including Corporate Dividend Tax)	-	-
Interest Paid	(28,677,125)	(26,752,657)
<b>Net Cash used in Financing Activities (C)</b>	<b>10,974,943</b>	<b>(26,752,657)</b>
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(11,448,900)	(65,914,459)
Cash and cash equivalents at the beginning of the year	(59,046,934)	6,867,524
<b>Cash and cash equivalents at the end of the year</b>	<b>(70,495,833)</b>	<b>(59,046,934)</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	82,088	79,023
Cheques/draft on hand	-	-
With banks -on current account	2,939,342	3,002,413
- on deposit account	2,242,796	3,245,849
<b>Total cash and cash equivalent (refer note 12)</b>	<b>5,264,226</b>	<b>6,327,285</b>

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

**For VSAP & Associates**

ICAI Firm Registration No: 018705N

Chartered Accountants

(AMIT CHADHA )

Partner

Membership No. 507087

Place: Jalandhar

Date: 30.06.2021

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

Atamjit Singh Bawa

Director

(DIN - 807400)

Ashwani Arora

Director

(DIN-01809365)

Simarjit Singh Bawa

Managing Director

(DIN -00851651)

CA Sajan

Chief Financial Officer

Pooja Chugh

Company Secretary

**Sarup Industries Limited**

**Notes forming part of the Financial Statements**

Note	Particulars
<b>1</b>	<p><b>Corporate information</b></p> <p>The financial statements comprises financial statement of SARUP INDUSTRIES LIMITED for the year ended 'March 31. 2021. The company is a public limited company domiciled in India and was incorporated under the 'provisions of companies Act, 1956 in 1979. The company is listed on the Bombay Stock Exchange Limited(BSE). The registered office of the Company is located at 141 Leather complex Jalandhar(Punjab).</p>
<b>2</b>	<p><b>Significant accounting policies</b></p>
<b>2.1</b>	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
<b>2.2</b>	<p><b>Use of estimates</b></p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
<b>2.3</b>	<p><b>Inventories</b></p> <p>Inventories are valued at the lower of cost (on FIFO ) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
<b>2.4</b>	<p><b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b></p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
<b>2.5</b>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>2.6</b>	<p><b>Depreciation and amortisation</b></p> <p>For the year 2020-21 'Depreciationon on each asset has been provided on WDV Method as per useful lives prescribed in Schedule II to the Companies Act, 2013 .</p>
<b>2.7</b>	<p><b>Revenue recognition</b></p>

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 GST .

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.

**2.8 Other income**

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

**2.9 Tangible fixed assets**

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

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

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

Capital work-in-progress:

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

**2.10 Intangible assets**

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

Refer Note 2.21 for accounting for Research and Development Expenses.

**2.11 Foreign currency transactions and translations**

Initial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

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

Treatment of exchange differences

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

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

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 2.26 and 2.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

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

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

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

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

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

**2.13 Investments**

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

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

#### **2.14 Employee benefits**

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

##### Defined contribution plans

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

##### Defined benefit plans

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

##### Short-term employee benefits

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

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

##### Long-term employee benefits

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

#### **2.15 Employee share based payments**

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

#### **2.16 Borrowing costs**

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

**2.17 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".

**2.18 Leases**

Company has not given any of its property on lease.

**2.19 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.

**2.20 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.

#### **2.21 Research and development expenses**

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

#### **2.22 Joint venture operations**

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements. At present the company has not entered in any joint venture agreement.

#### **2.23 Impairment of assets**

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

#### **2.24 Provisions and contingencies**

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

#### **2.25 Provision for warranty**



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

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

**2.26 Hedge accounting**

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

**2.27 Derivative contracts**

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

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

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

**2.28 Share issues expenses**

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

**2.29 Insurance claims**

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

**2.30 Service tax input credit**

**2.30 GST/Service Tax /Excise/**

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

Particulars	Equity Share capital (1)	Attributable to the equity shareholders				Total equity (1+2)
		Retained Earnings	Security Premium	General reserve	Capital Reserve	
As at April 01, 2020	32,524,000	(177,286,960)	27,345,000	147,027,787	3,035,800	32,645,627
Profit for the year	-	(43,523,573)	-	-	-	(43,523,573)
Dividend paid for the year	-	-	-	-	-	-
Tax on interim equity dividend	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-
Other Comprehensive income / (loss)	-	-	-	-	-	-
Re-measurement of defined benefit obligation, net of tax	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-
As at March 31, 2021	32,524,000	(220,810,533)	27,345,000	147,027,787	3,035,800	(43,401,946)

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

Particulars	Leasehold Land*	Free hold Land	Building - Factory*	Building - Others*	Plant & machinery	Furniture and fittings	Others	Office equipments	Lease Hold Improvements	Vehicles	Total	Capital work in progress
<b>Cost</b>												
As at March 31, 2020	11,286,922	22,935,310	37,882,835	24,164,914	244,462,168	14,874,795	30,292,618	6,744,616	997,661	3,133,556	396,775,395	159,981,962
Additions	-	-	-	-	342,224	-	-	-	-	-	342,224	294,429
Disposals/ written off	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from CWIP	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	11,286,922	22,935,310	37,882,835	24,164,914	244,804,392	14,874,795	30,292,618	6,744,616	997,661	3,133,556	397,117,619	160,276,391
<b>Depreciation</b>												
As at March 31, 2020	-	-	26,797,440	11,944,359	198,006,656	13,688,823	30,427,884	5,638,343	938,946	2,264,283	289,706,733	-
Charge for the year	-	-	1,001,755	-	7,477,930	64,140	1,496,128	16,123	11,181	188,819	10,256,076	-
Disposals/ written off	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	27,799,195	11,944,359	205,484,586	13,752,963	31,924,012	5,654,466	950,127	2,453,102	299,962,809	-
<b>Net block</b>												
As at March 31, 2021	11,286,922	22,935,310	10,083,640	12,220,555	39,319,806	1,121,832	(1,631,394)	1,090,150	47,534	680,454	97,381,459	160,276,391
As at March 31, 2020	11,286,922	22,935,310	11,085,395	12,220,555	46,455,512	1,185,972	(135,266)	1,106,273	58,715	869,273	107,363,091	159,981,962

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

**Capitalized borrowing costs**

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

**Asset under construction**

Capital work in progress as at 31 March, 2021 comprises expenditure incurred on plant & machinery and buildings in the course of construction.

<b>4. Intangible Assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Value of Intangible Assets installed	-	-
	-	-

<b>5. Investment in an Associate and a Joint Venture</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Investment in an Associate and a Joint Venture	-	-
	-	-

**6. Investments (at fair value through profit & loss)**

**Quoted Shares (long-term investments)**

Particulars	Current		Non-Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
DSQ Ltd	-	-	321893	321893
Pentamedia Ltd	-	-	496820	496820
Polars Financial Ltd	-	-	-	0
DSQ Software	-	-	1221867	1221867
<b>Total (A)</b>	-	-	<b>2,040,580</b>	<b>2,040,580</b>

**Unquoted Shres**

Particulars	Current		Non-current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Moderen Syenthetics Ltd	-	-	18,000	18,000
Punjab Iron & Steel Co. ltd	-	-	15,058	15,058
Software Solutions India Ltd	-	-	633,276	633,276
Star Precision Ltd	-	-	15,000	15,000
Star Thapar Milk Products Ltd	-	-	3,000	3,000
Umred Agro Ltd	-	-	170,000	170,000
<b>Total (B)</b>	-	-	<b>854,334</b>	<b>854,334</b>

**Quoted mutual funds (short-term investments)**

Particulars	Current		Non-current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Total (C)</b>	-	-	-	-
<b>Total investments (A+B+C)</b>	-	-	<b>2,894,914</b>	<b>2,894,914</b>
Aggregate market value of quoted investments				
Aggregate fair value of unquoted investments				

**Loans**

Particulars	Current		Non-current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Carried at amortized cost</b>				
<b>Loans, advances and imprest to employees*</b>				
Unsecured considered good	-	-	-	-
Doubtful	-	-	-	-
Provision for doubtful loans, advances and imprest to employees	-	-	-	-
<b>Advances Recoverable</b>				
Unsecured, considered good, to other parties	-	-	2,137,967	2,137,967
Doubtful, to other parties	-	-	-	-
Provision for doubtful security deposit	-	-	2,137,967	2,137,967
	-	-	2,137,967	2,137,967
<b>Total</b>	-	-	2,137,967	2,137,967

Particulars	Current		Non-current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>*Loans, advances and imprest to</b>				
Dues from officers	-	-	-	-

**Others financial assets**

Particulars	Current		Non-current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Carried at fair value</b>				
Derivative assets	-	-	-	-
<b>Total (A)</b>	-	-	-	-
<b>Carried at amortized cost</b>				
Deposit with original maturity for more than 12 months	-	-	-	-
Margin money deposits**	-	-	-	-
Interest accrued on fixed deposits	-	-	-	-
Interest accrued on investments	-	-	-	-
Dividend accrued on investments	-	-	-	-
<b>Total (B)</b>	-	-	-	-
<b>Total other financial assets (A+B)</b>	-	-	-	-

\*\*Margin Money deposits given as security

**Break up of Total Financial assets**

Particulars	Current		Non-current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments	-	-	2,894,914	2,894,914
Loans	-	-	2,137,967	2,137,967
Others financial assets	-	-	-	-
Trade Receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
<b>Total</b>	-	-	5,032,881	5,032,881

**7. Prepayments**

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	-	-	-	-
<b>Total</b>	-	-	-	-

**8. Income tax assets (net)**

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance Income tax /Income Tax Refund Receivable	126,709	4,378,740	-	-
Deffered Tax	6,348,096	6,572,605	-	-
<b>Total</b>	<b>6,474,805</b>	<b>10,951,346</b>	-	-

**9. Other assets**

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Capital Advances</b>				
Unsecured considered good	-	-	-	-
Doubtful	-	-	-	-
Provision for doubtful capital advances	-	-	-	-
<b>Total (A)</b>	-	-	-	-
<b>Advances other than capital advances</b>	-	-	-	-
<b>Advances to suppliers /Others</b>				
Unsecured considered good	-	-	16,729,996	16,023,771
Doubtful	-	-	-	-
Provision for doubtful advances	-	-	-	-
<b>Total (B)</b>	-	-	<b>16,729,996</b>	<b>16,023,771</b>
<b>Balance with statutory / government Authorities</b>	-	-	28,259,916	27,522,105
<b>Total (C)</b>	-	-	<b>28,259,916</b>	<b>27,522,105</b>
<b>Prepaid Expenses (D)</b>	-	-	168,749	108,300
<b>Total other assets (A+B+C+D)</b>	-	-	<b>45,158,661</b>	<b>43,654,176</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials & components(at cost)	62,747,280	56,575,119
Work in Process	17,626,790	35,619,212
Finished Goods	210,604,282	201,109,105
<b>Total (A)</b>	<b>290,978,352</b>	<b>293,303,437</b>
<b>In Transit :</b>		
Raw materials & components	-	-
Stores, Spares etc.	-	-
Finished Goods	-	-
<b>Total (B)</b>	-	-
<b>Total (A+B)</b>	<b>290,978,352</b>	<b>293,303,437</b>

**11 Trade receivables**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade receivables</b>		
Secured, considered good*		
Related parties	-	-
Others	-	-
<b>Unsecured, considered good</b>		
Related parties	910,121	-
Others	98,723,223	94,495,600
<b>Doubtful</b>		
Others	-	-
Less: Allowances for expected credit loss	-	-
<b>Total</b>	<b>99,633,344</b>	<b>94,495,600</b>

\* Secured against letter of credit/ bank guarantee.

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	87,092,024	70,128,101
Doubtful	-	-
Allowances for expected credit loss	-	-
<b>Total (A)</b>	<b>87,092,024</b>	<b>70,128,101</b>
<b>Other receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	12,541,320	24,367,499
Doubtful	-	-
Allowances for expected credit loss	-	-
<b>Total (B)</b>	<b>12,541,320</b>	<b>24,367,499</b>
<b>Total Trade receivables (A+B)</b>	<b>99,633,344</b>	<b>94,495,600</b>

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

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

**12 Cash and Cash Equivalent**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>		
Balances with Banks		
-In current accounts	2,939,342	3,002,413
-Deposits with original maturity of less than three	2,242,796	3,245,849
Cheques / drafts on hand	-	-
Cash on hand	82,088	79,023
<b>Total</b>	<b>5,264,226</b>	<b>6,327,285</b>

Deposits in banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods upto three months, depending on the immediate cash requirements of the Company, and earn interest at For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
– On current accounts	2,939,342	3,002,413
– Deposits with original maturity of less than three months	2,242,796	3,245,849
Cheques/ drafts on hand	-	-
Cash on hand	82,088	79,023
<b>Total</b>	<b>5,264,226</b>	<b>6,327,285</b>

### 13 Non-current assets held for sale

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in associates (refer note no 48)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 14. Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised :</b> 40,00,000 equity shares (March 31, 2021: 40,00,000 ) of Rs.10/- each (March 31, 2020: Rs. 10/- each)	4,00,00,000	4,00,00,000
<b>Issued, Subscribed and Paid-up</b> 3,252,400 (March 31, 2021: 32,52,400, ) Equity Shares of Rs.10/- Each Fully paid (March 31, 2020: Rs. 10/- each)	32,524,000	32,524,000
<b>Total</b>	<b>32,524,000</b>	<b>32,524,000</b>

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

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	3,252,400	32,524,000	3,252,400	32,524,000
Addition due to split of shares	-	-	-	-
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,252,400</b>	<b>32,524,000</b>	<b>3,252,400</b>	<b>32,524,000</b>

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

The Company has only one class of equity shares having par value of Re. 10 per share (March 31, 2021: Rs. 10/- each) (refer note g. below) . Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian rupees and pays it in Indian rupees.

During the year ended March 31, 2021, the amount of per share dividend recognized as distribution to equity shareholders was INR Nil (March 31, 2020 INR NIL/- (refer note g. below));

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

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

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
<b>Equity shares of Rs. 1 each fully paid</b> (March 31, 2021: Rs. 10/- each, April 1, 2020: Rs. 10/- each)				
1. Sh. Atamjit Bawa	2,257,094	69.40%	2,257,094	69.40%
2. S. Simerjit Bawa	161,406	4.96%	161,406	4.96%

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

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

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**15. Other Equity**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	(177,286,960)	(121,758,341)
Add: Net profit for the year	(43,299,064)	(55,916,712)
Less: Other Comprehensive loss for the year	-	-
Less: Appropriations	(224,509)	388,092
-Interim equity dividend	-	-
-Tax on interim equity dividend	-	-
-Transferred to general reserve	-	-
<b>Net surplus in the statement of profit and loss (A)</b>	<b>(220,810,533)</b>	<b>(177,286,960)</b>
<b>Security premium</b>		
Balance as per last financial statements	27,345,000	27,345,000
Add: additions during the year	-	-
<b>Closing Balance (B)</b>	<b>27,345,000</b>	<b>27,345,000</b>
<b>Other Reserves</b>		
<b>General reserve</b>		
Balance as per last financial statements	147,027,787	147,027,787
Add: Transferred from retained earnings	-	-
<b>Closing Balance (C-I)</b>	<b>147,027,787</b>	<b>147,027,787</b>
<b>Capital reserve</b>		
Balance as per last financial statements	3,035,800	3,035,800
Add: additions during the year	-	-
<b>Closing Balance (C-II)</b>	<b>3,035,800</b>	<b>3,035,800</b>
<b>Closing Balance (C) = (C-I) + (C-II)</b>	<b>150,063,587</b>	<b>150,063,587</b>
<b>Total reserves and surplus (A+B+C)</b>	<b>(43,401,946)</b>	<b>121,627</b>

**16. Borrowings**

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>				
SBI -CCECL & GECL	40,893,552.00	-	-	-
SBI (WCTL)	49,970,902.00	-	-	-
SBI (FITL-2)	2,312,660.00	-	-	-
SBI -CC 8045 (Secured against Hyp. Of Stock	-	-	89,469,939.93	142,530,189.80
ICICI Term Loans ( Secured agaist Vehicle)	642,614.00	789,232.00	-	-
SBI Term Loans ( Secured agaist Bulding And Machinery)	8,576,952.95	10,297,018.95	-	-
SBI Standby Limit (Secured Against Hup. Of Stock)	-	-	-	-
<b>Unsecured</b>				
Other Loans	-	-	-	-
Loans from Directors and relatives	84544967.00	83143079	-	-
Others-Shalimar	144930600.00	144,930,600	-	-
<b>Total Borrowings</b>	<b>331,872,248</b>	<b>239,159,930</b>	<b>89,469,940</b>	<b>142,530,190</b>

Note :-

- 1) During the financial year company had taken a borrowing facility amounting to Rs. 140 Lacs from State bank of India under Common Covid19 Emergency Credit Line scheme. This facility was taken in April 2020. There was moratorium of 6 months and this loan is repayable in 18 installments beginning from October 2020.
- 2) During the financial year company had taken a borrowing facility amounting to Rs. 307 Lacs from State bank of India under Guaranteed Emergency Credit Line scheme. This facility was taken in June 2020. There was moratorium of 12 months and this loan is repayable in 36 installments beginning from June 2021.
- 3) During the financial year, originally sanctioned CC limit of Rs. 14 Crores of SBI has been restructured. During the month of Jan-2021, limit of Rs. 5 Crores has been converted to Working Capital Term Loan, repayable in 84 Installements beginning from Jan 2021.

**17. Provisions**

Particulars	Long-term		Short-term	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>				
Provision for Dividend	-	-	-	-
Provision for Gratuity (refer note 33)	-	-	37,259,849	37,259,849
Tax on Proposed Dividend	-	-	-	-
<b>Other Provisions</b>				
Provision for Tax	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>37,259,849</b>	<b>37,259,849</b>



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**18. Income Tax**

The major components of income tax expense are:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current income tax:</b>		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	224,509	(388,092)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>224,509</b>	<b>(388,092)</b>

**OCI section**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Accounting profit before income tax</b>		
Tax at the applicable tax rate of 22.88% (31.3.2020: 22.88%)	-	-
Adjustments in respect of current income tax of previous years	-	-
<b>Tax effect of income that are not taxable</b>		
Capital gain on sale of investments	-	-
Interest on tax free bonds exempted under section 10(15)	-	-
Dividend income exempted under section 10	-	-
<b>Tax effect of income that are taxable at special tax rate</b>		
Deduction for rental income	-	-
Indexation effect on capital gain of investments	-	-
Capital gain on redemption of mutual fund units	-	-
<b>Tax effect of expenses/(incomes) that are not deductible in determining taxable profit:</b>		
Sale Of research & development assets u/s 41	-	-
Expenses disallowed u/s 14A	-	-
Interest on MSMED	-	-
Donations	-	-
CSR expenses	-	-
Warranty provisions	-	-
Others	-	-
<b>Tax effect of expenses that are deductible in determining taxable profit:</b>		
Weighted deduction u/s 35 (2AB)	-	-
Expenses u/s 80GGB	-	-
Expenses u/s 80JJAA	-	-
Expenses u/s 32AC	-	-
<b>At the effective income tax rate of 22.88% ( March 31, 2020: 22.88%)</b>	<b>-</b>	<b>-</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>224,509</b>	<b>(388,092)</b>
<b>Tax expense</b>	<b>224,509</b>	<b>(388,093)</b>

**Deferred tax:**

Particulars	As at April 01, 2020	Provided during the year	As at March 31, 2021
<b>Deferred tax liability:</b>			
Related to Property, plant and equipment	-	-	-
Fair Value of Investments	-	-	-
Prepaid Rent	-	-	-
Provision for warranty	-	-	-
Derivative gains	-	-	-
<b>Total deferred tax liability (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets:</b>			
Provision on trade receivables, capital advances, other loans & advances	(6,572,605)	224,509	(6,348,096)
Property, Plant and Equipments	-	-	-
Finance lease obligations	-	-	-
Provision for gratuity	-	-	-
Provision for leave encashment	-	-	-
Unpaid bonus	-	-	-
<b>Total deferred tax assets (b)</b>	<b>(6,572,605)</b>	<b>224,509</b>	<b>(6,348,096)</b>
<b>Deferred Tax Liability (Net) (a - b)</b>	<b>(6,572,605)</b>	<b>224,509</b>	<b>(6,348,096)</b>

**19. Financial liabilities - Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payable		
- Micro, Small and Medium Enterprises (refer note 38)	-	218,318
- Related parties	89,096,364	81,082,835
- Others	46,935,057	57,029,540
<b>TOTAL</b>	<b>136,031,420</b>	<b>138,330,693</b>

Terms and conditions of the above financial liabilities:

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

**20. Other Financial Liabilities**

Particulars	Non Current			Current	
	As at March 31, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020
<b>Other financial liabilities (at amortized cost)</b>					
Security Deposits	-	-	-	20,665,187	20,665,187
Payable on purchase of fixed assets	-	-	-	-	-
<b>Total other financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,665,187</b>	<b>20,665,187</b>

**Break up of financial liabilities carried at amortized cost**

Particulars	Note Reference	Non Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Payables	19	-	-	136,031,420	138,330,693
Other financial liabilities	20	-	-	20,665,187	20,665,187
Borrowings	16	331,872,248	239,159,930	89,469,940	142,530,190
<b>Total financial liabilities carried at amortized cost</b>		<b>331,872,248</b>	<b>239,159,930</b>	<b>246,166,547</b>	<b>301,526,070</b>

**21. Other Liabilities**

Particulars	Non Current			Current	
	As at March 31, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020
Advance Received	-	-	-	74,732,293	77,362,119
Statutory liabilities ( TDS Payable)	-	-	-	122,945	209,424
Unpaid Dividend	-	-	-	1,018,700	1,018,700
Cheques Issued But Not Presented	-	-	-	997,685	1,073,671
Due To Director	-	-	-	16,574,085	16,652,295
Expenses Payable	-	-	-	12,333,712	14,202,092
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,779,420</b>	<b>110,518,301</b>

**22. Revenue From Operations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of products (including excise duty and GST)</b>		
Local	99,691,327	211,011,400
Export	-	-
	<b>99,691,327</b>	<b>211,011,400</b>
<b>Rendering of services</b>	-	-
<b>Other operating revenue</b>		
-Scrap sales	-	-
-Export benefits	-	-
<b>Total</b>	<b>99,691,327</b>	<b>211,011,400</b>

**23 Other income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit on sale of Fixed Assets	-	354,606
Duty Draw Back	7,134	-
Short /Excess Recovery	-	-
Derivative gain on forward contracts	-	-
Foreign exchange gain (net)	37,062	-
Miscellaneous income	87,341	829,876
GST Bugetary Support	-	-
Excise Duty Refund	-	-
<b>Interest income on:</b>	-	-
-Long-term investments	-	-
-Bank deposits	587,975	311,022
-Security deposits paid **	-	-
-Others	-	-
<b>Total</b>	<b>719,511</b>	<b>1,495,505</b>

**24. Cost of Materials consumed**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials consumed		
Inventory at the beginning of the year	56,575,119	66,194,546
Add: Purchases of Raw Material(including taxes)	60,410,248	110,928,713
	<b>116,985,367</b>	<b>177,123,259</b>
Less : Inventory at the end of the year	62,747,280	56,575,119
<b>Total</b>	<b>54,238,087</b>	<b>120,548,140</b>

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>Closing stock</b>				
- Finished goods	210,604,282		201,109,105	
- Work in progress	17,626,790		35,619,212	
	<b>228,231,072</b>		<b>236,728,317</b>	
<b>Less :</b>				
<b>Opening stock</b>				
- Finished goods	201,109,105		199,698,284	
- Work in progress	35,619,212		43,610,449	
	<b>236,728,318</b>		<b>243,308,734</b>	
<b>(Increase) / decrease</b>				
- Finished goods		(9,495,176)		(1,410,820)
- Work in progress		17,992,421		7,991,237
		<b>8,497,245</b>		<b>6,580,416</b>

**26. Employee Benefits Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	18,301,197	51,775,043
Contribution to provident and other funds	6,910,146	18,339,494
Gratuity expenses (refer note 33)	-	-
Canteen Subsidy	-	16,046
Staff welfare expenses	137,534	499,026
<b>Total</b>	<b>25,348,877</b>	<b>70,629,609</b>

**27. Depreciation and amortization expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets (refer note 3)	10,256,076	12,612,284
Amortization of intangible assets (refer note 4)	-	-
<b>Total</b>	<b>10,256,076</b>	<b>12,612,284</b>

**28. Finance Costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on:		
-Banks*	20,848,881	19,711,809
- Others	7,828,244	7,040,848
-Bank Charges	876,047	1,641,749
-Unwinding of discount on warranty	-	-
<b>Total</b>	<b>29,553,172</b>	<b>28,394,407</b>

**29. Other expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Stores and Spares	114,103	62,429
Power and energy	4,745,993	5,883,649
Advertisement and publicity expenses	263,680	181,061
Auditors' remuneration (refer detail below)*	100,000	100,000
Business promotion expenses	22,285	34,439
Professional and legal charges	567,119	590,586
Directors' remuneration	423,600	423,474
Postage, telephone and telegram expenses	196,833	342,368
Printing and stationery expenses	45,271	151,996
Rent	120,000	229,600
Fees and taxes	859,789	576,541
-Plant and machinery	175,969	334,872
-Building	30,234	3,259
-Others	487,696	1,048,622
Selling expenses	58,833	68,454
Commission and brokerage	30,320	-
Freight outward	768,930	3,720,095
Tours and travelling expenses	273,264	601,009
Vehicle running expenses	238,119	562,638
Insurance Expenses	728,224	624,748
Packing and forwarding expenses	4,161,294	7,100,290
Misc Manufacturing Expenses	469,336	1,556,960
Fines and Penalties	-	148
Rebate and Discount	288,234	4,411,774
Prior Period Expenses	619,952	489,032
Loss on Sale of Shares	-	385,265
Donation and charity**	-	1,150
Security Service Charges	-	54,161
Miscellaneous expenses	27,369	106084.27
AGM Expenses	-	14,058
<b>Total</b>	<b>15,816,445</b>	<b>29,658,764</b>

**\*Payment to Auditors**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>As Auditor</b>		
Audit fee	90,000	90,000
Other matters-certification	10,000	10,000
<b>Other services</b>		
-Reimbursement of expenses	-	-
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**\*\*Donation to political parties**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Name of the party to which such amount has been contributed	NIL	NIL
<b>Total</b>	-	-

**30. Other Comprehensive Income/(Loss)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Changes In Revaluation Surplus	-	-
Re-measurement of Defined Benefit Plan	-	-
Gains and losses arising from translating the financial statements of a foreign operation	-	-
Gains and losses from investments in equity instruments designated at fair value (or other financial assets measured at FV)	-	-
Reclassification adjustments	-	-
<b>Total</b>	-	-

**31. Earning Per Share**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/(Loss) for the year	-43523572.89	-55528619.96
Weighted Avg. No. of Shares	3,252,400	3,252,400
Par Value Per Share	10	10
<b>Earning Per Share</b>	<b>(13.38)</b>	<b>(17.07)</b>

**32. Significant accounting judgements, estimates and assumptions**

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

## **JUDGEMENTS**

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

### **Useful lives of Property, plant and equipment and Intangible assets**

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

### **Contingencies**

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

## **ESTIMATES AND ASSUMPTIONS**

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

### **Defined benefit plans (gratuity benefits)**

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

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

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

Further details about gratuity obligations are given in Note 33.

### **Fair value measurement of financial instruments**

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

### **Income Taxes**

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

### 33. Gratuity

#### Defined Benefit Plans

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

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

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

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

Particulars	Gratuity	
	2020-21	2019-20
Service cost - current	-	256,334
Past service cost	-	(256,334)
Interest cost	-	-
Expected return on plan assets		
<b>Total expenses recognised in the statement of profit and loss</b>	<b>-</b>	<b>-</b>

#### Amount recognised in Other Comprehensive Income

Particulars	Gratuity	
	2020-21	2019-20
Actuarial (gain)/ loss on obligations	-	-

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

#### Gratuity:

Particulars	2020-21	2019-20
Opening defined obligation	37,259,849	37,516,183
Past service cost	-	(256,334)
Current service cost		
Interest cost		
Benefits paid		
Actuarial (gain)/ loss on obligations		
<b>Defined benefit obligation</b>	<b>37,259,849</b>	<b>37,259,849</b>

The Company's best estimate of contribution during the next year is Rs. Nil (March 31, 2020: Rs.Nil)

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

Particulars	Gratuity	
	2020-21	2019-20
Discount rate		
Future salary increases		
Retirement age	58 Years	58 Years

**34 Commitments and Contingencies**

**I Leases**

**Finance lease: Company as lessee**

The Company has no finance leases.

**Operating lease: Company as lessee**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	141,600	120,000
After one year but not more than five years	-	-
More than five years	-	-
<b>Total</b>	<b>141,600</b>	<b>120,000</b>

**II Contingent Liabilities (to the extent not provided for)**

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts*		
Guarantee given		
Income- tax demands**		
Outstanding letter of credit		
Pending export obligation under EPCG scheme		
<b>Total</b>	<b>-</b>	<b>-</b>

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

(B) \*\* Income tax demands  
No income tax demand is outstanding against company

**III Commitments**

Particulars	As at March 31, 2021
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)NIL	NIL

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

(A) Associates	-	-
(B) Key managerial Personnel (KMP) and their relative	Atamjit Singh Bawa Simarjit Singh Bawa Megha Gandhi	Key Managerial remuneration 8,31,835/-
(C) Companies/ Concerns controlled by KMP & their relatives	Bawa Skin Company	Sales 6,64,919/- Rent 1,41,600/-

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue expenditure</b>		
Salary & wages (including other employees benefits)	551,078	1,630,261
Raw material, store and spares consumed		
Other expenses	22,285	34,439
<b>Total revenue expenditure</b>	<b>573,363</b>	<b>1,664,700</b>
<b>Capital expenditure (included in Property, plant and equipment)</b>		
Buildings		
Capital equipments		
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>



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**37 Capitalization of expenditure**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of raw material and components consumed	-	-
<b>Total</b>	-	-

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises		
Interest due on above		
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	218,318
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**39 Expenditure on corporate social responsibility activities :**

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

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

**40 Forward Contracts**

The Company enters into Derivative contracts in the nature of forward contracts taken in order to hedge its foreign currency exposure in respect of export trade receivables. Such derivative financial instruments are initially recognized at fair value on the date on which forward contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair valuation on the date of re-measurement results into gain to the Company and financial liability when the fair valuation results into loss to the Company.

The Details of derivative assets relating to forward contracts are as mentioned below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Derivative assets	NIL	NIL
<b>Total</b>	-	-

**41 Segment Information**

**Segment Reporting**

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

**Geographical Segments**

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

Particulars	( Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
In India	99,691,327	211,011,400
Outside India	-	-
<b>Total</b>	99,691,327	211,011,400

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

**42** The financial year 2020-21 began amidst nation-wide lockdowns to contain the wide-spreading of Covid-19 and the lockdowns were followed by systematic/gradual removal of restrictions on the free movement of people by the Central and/or the State Governments. While the novel Corona virus has had a terrible humanitarian impact, it is also taking a heavy toll of economies across the world and one of the worst hit sectors is Retail. Accordingly, the operations and consequential financial performance of the Company during the financial year 2020-21 have been adversely impacted and may, due to the second wave of the pandemic, remain impacted in the current financial year as well, regardless of the adequate measures taken by the Company to minimise the said impact. Consequent to that, the Company had during the financial year 2020-21, incurred losses. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

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

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

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

Notice is hereby given to all such shareholders to make an application to the Company/ Registrar by 29.10.2021 with a request for claiming the unpaid dividend for the year 2013-14 onwards so that the shares are not transferred to the IEPF. **It may please be noted that if no reply is received by the company or the Registrar by 29.10.2021 the company will be compelled to transfer the shares to the IEPF, without any further notice.**

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

For any clarification on the matter, please contact the Compliance Officer of the Company Ms. Megha Gandhi at 141-Leather Complex, Jalandhar, Punjab, Phone No: 0181-5021037; E-Mail: [shareholders@bawastl.com](mailto:shareholders@bawastl.com); website : [www.sarupindustries.com](http://www.sarupindustries.com) and /or Registrars and Transfer Agent – Skyline Financial Services Pvt. Ltd., D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Phone No: 011-26812683, E Mail: [parveen@skylinerta.com](mailto:parveen@skylinerta.com)

**For Sarup Industries Ltd**

**Megha Gandhi**  
**Company Secretary**

**SARUP INDUSTRIES LIMITED**  
**REGD OFF: - PLOT NO-141, LEATHER COMPLEX, JALANDHAR-144021, PUNJAB (INDIA)**  
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**CIN: L19113PB1979PLC004014**