

**ANNUAL REPORT**

**STURDY INDUSTRIES LIMITED**

**FY -2015-16**

## **BOARD OF DIRECTORS**

Mr. Mohan Lal Gupta	- Managing Director
Mr. Ramesh Gupta	- Whole Time Director
Mr. Amit Gupta	- Whole Time Director
Mr. Devinder Nath Sharma	- Independent Director
Mr. Ashok Bhatia	- Independent Director
Mr. Khem Chand	- Chief Financial Officer

## **WEBSITE**

[www.sturdyindustries.com](http://www.sturdyindustries.com)

## **LISTED**

Bombay Stock Exchange

## **STATUTORY AUDITORS**

B.M Verma & Associates  
Chartered Accountants  
Chandigarh

## **SECRETARIAL AUDITORS**

Himashu Sharma & Associates  
Company Secretaries  
GF-466, Krishna Street, Kotla Mubarkpur  
South Extension-1, New Delhi-110003

## **BANKERS**

Punjab National Bank  
Allahabad Bank

## **REGISTERED OFFICE**

21, Industrial Area,  
Baddi, Distt-Solan,  
H .P. -173205

## **REGISTRARS AND SHARE TRANSFER AGENTS**

### **Skyline Financial Services Private Limited**

D-153A, Okhla Industrial Area  
Phase-1, New Delhi-110020  
E-mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

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## NOTICE

Notice is hereby given that 27<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on Saturday, the 20th day of August 2016 at 09.30 A.M. at Plot No. 21, Industrial Area, Baddi, Himachal Pradesh to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Balance Sheet as at 31<sup>st</sup> March, 2016, Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2016 for and reports of Board of Directors and Auditors thereon..
2. To appoint a Director in place of Sh. Amit Gupta (DIN 00161417), Whole Time Director of the Company who retires by rotation and being eligible offers himself for the re-appointment.
3. To appoint statutory auditors of the company and fix their remuneration

In this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/S B.M. VARMA & CO ., Chartered Accountants (Firm Registration No. 001099N), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 subject to the payment at such remuneration plus service tax, out-of-pocket, travelling, Boarding and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors.”

### SPECIAL BUSINESS

#### 4. **Ratification of Remuneration to the Cost Auditor**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2015 to M/s. Balwinder & Associates, Cost Accountants having Firm Registration No. 000023 and the appointed by the Board of Directors of the Company for conducting the audit of cost records of the Company for the financial year 2015-16, at a remuneration amounting to Rs. 60000/- (Rupees Sixty Thousand) as also the payment of service tax as applicable and re-imburement of out of pocket expenses which may be incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed

5. **TO RECEIVE, CONSIDER AND ADOPT THE STRATEGIC DEBT RESTRUCRING SCHEME IN RELATION TO THE COMPANY DEBT.**

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

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 2013 and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of (the "Company"), listing agreements entered into with stock exchange on which the equity shares of the Company of face value of Rs. 2 each are listed (the "Equity Shares"), the applicable rules, notifications, guidelines issued by the Government of India, the Reserve Bank of India and any regulatory or other appropriate authorities (including but not limited to the Securities and Exchange Board of India ("SEBI"), terms and conditions stipulated by the lending Banks while approving the scheme and as well subject to approvals, permissions, sanctions and consents as may be necessary from any regulatory or other appropriate authorities and the Reserve Bank of India (the "RBI"), Government of India, etc.) who introduced Strategic Debt Restructuring Scheme (SDR) vide Circular dated 8th June, 2015, the lenders of the Company (Punjab National Bank and Allahabad Bank) who have invoked Strategic Debt Restructuring Scheme (SDR), which has been agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which terms shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this resolution), the Strategic Debt Restructuring Scheme (SDR) approved by the lending banks whose loans are being restructured (the "SDR Lenders") under the Strategic Debt Restructuring scheme issued by the RBI and the Strategic Debt Restructuring guidelines formulated there under, whereby the lenders agree to undertake SDR in the Joint Lenders Meeting (JLM) held on 28<sup>th</sup> March, 2016 be and is hereby received, considered and adopted by the Company and the Board and/or any person authorized by the Board in respect thereof from time to time, be and are hereby authorized on behalf of the Company to discuss, negotiate, amend, if required, the terms of the SDR in the manner as may be approved by and between the Company and the SDR, amend or make changes in the documents to be executed in pursuance of the SDR Scheme and to implement the SDR, on the basis of the terms set out in the SDR Scheme and as may be agreed between the respective parties thereto, and execute the necessary documents for the same including, inter-alia issuance of Equity Shares to the lenders of the Company in terms of the SDR Scheme."

6. **TO ISSUE EQUITY SHARES BY COMNVERTING DEBT INTO EQUITY TO THE LENDERS UPON THE INVOCATION OF STRATEGIC DEBT RESTRUCTURING SCHEME (SDR).**

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

"RESOLVED THAT pursuant to the provisions of Section 42 & 62 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and all other applicable provisions, if any of the Companies Act, 2013 and to date amendments, notifications, relevant circulars thereof (hereinafter referred to as "the Act") and other applicable laws (including any statutory amendment (s), modification

(s) and/ or re-enactment (s) thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company as amended upto date and also subject to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also subject to the Listing Agreements entered into by the Company with the BSE Limited (Bombay Stock Exchange where at the equity shares of the Company are listed and also subject to the regulations applicable for the preferential issue and allotment of shares as contained in Chapter VII "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be modified or re-enacted from time to time (hereinafter referred as "SEBI (ICDR) Regulations") and the Foreign Exchange Management Act, 2000 (hereinafter referred as "FEMA") and all other applicable regulations framed there under inter-alia including other applicable rules, notifications, guidelines and circulars issued by the Government of India, the Securities Exchange Board of India (hereinafter referred as "SEBI"), the Reserve Bank of India (hereinafter referred as "RBI") etc., as may be applicable and as amended till date and pursuant to Strategic Debt Restructuring ("SDR") Scheme of Reserve Bank of India, approved by the lenders and subject to such approvals, permissions, sanctions and consent (s) as may be necessary from the regulatory and other applicable authorities (including but not limited to the SEBI, Monitoring Committee, Monitoring Institution, the Reserve Bank of India, the Lenders, the Government of India etc) and subject to such terms, alterations, conditions, changes, variations and/ or modifications as may be prescribed by any of them while granting such approval (s), the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include Committee of Directors which the Board has constituted, and such other department and authorities to which all the powers hereby are conferred by the Board of Directors by this resolution, have been or may hereinafter at any time, be and are hereby delegated with powers to offer, issue and allot in one or more tranches up to a maximum 7,75,32,350 (Seven crore Seventy Five Lac Thirty Two Thousand Three Hundred Fifty) fully paid up Equity Shares of the Company, having face value of Rs. 2/- each at par i.e. Rs. 2.00 (Rupees Two only) to the SDR Lenders ("Proposed Allottees") whose names are agreed amongst the Board of Directors and SDR Lenders in terms of the SDR Scheme on a preferential basis against the outstanding dues on Term Loan / Working Capital facilities dues/FITL availed by the Company.

**"RESOLVED FURTHER THAT** the "Reference Date" for the preferential issue of the aforesaid Equity Shares shall be the date of intimation i.e 11<sup>th</sup> July, 2016 and the 25<sup>th</sup> July, 2015 is the date on which the Board of Directors of the Company approved the final Strategic Debt Restructuring Scheme, issued by the Reserve Bank of India. The shares will be issued at par as per guidelines of SEBI (ICDR) Regulations, 2015 notification issued dated 05 May, 2015.

**"RESOLVED FURTHER THAT** Equity Shares to be so issued and allotted pursuant to this resolution shall rank pari passu in all respects with the existing equity shares of the Company as well as with the shares to be issued in accordance with and subject to passing of Resolution by members."

**"RESOLVED FURTHER THAT** the number of Equity Shares to be so issued and allotted pursuant to this resolution shall be subject to reconciliation between Monitoring Institution/Monitoring Committee/Proposed Allottees and Company."

**"RESOVLED FURTHER THAT** the Equity Shares to be so issued and allotted as above, shall be subject to the lock-in as per the provisions of ICDR Regulations, as amended from time to time."

**"RESOVLED FURTER THAT** the Equity Shares to be so issued and allotted as above shall be listed and traded on BSE Limited on which the existing Shares of the Company are listed."

**"RESOLVED FURTHER THAT** If any lender does not convert over dues outstanding amount to equity as mentioned under SDR, other lenders shall have an option to increase its conversion amount subject to a maximum of non converted amount.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of the Equity Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Equity Shares, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities/ Stock Exchanges/ SEBI etc. for obtaining requisite approvals, liaising with the appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of Equity Shares, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Equity Shares".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors/Officials of the Company."

## **7. TO INCREASE IN AUTHORISED SHARE CAPITAL.**

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

**"RESOLVED THAT**, in accordance with the provisions of Sections 13 and 61 and any other applicable provisions if any, of the Companies Act, 2013 (as may become enforceable/applicable), the existing Authorized Capital of the Company be and is hereby increased from Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lac Only) divided into 8,25,00,000 (Eight Crore Twenty Five lakh) Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only) each to Rs 32,00,00,000/- (Rupees Thirty Two Crore Only) consisting of 15,00,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only), by creation of additional 6,75,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each ranking pari passu with the existing Equity Shares of the Company.

**"RESOLVED FURTHER THAT**, clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the same with the following:

V. The Authorized Share Capital of the Company is Rs 32,00,00,000/- (Rupees Thirty Two Crore Only) consisting of 15,00,00,000 Equity Shares of Rs. 2/- (Rupees Two



Only) each and 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only)

**"RESOLVED FURTHER THAT**, the Articles of Association of the Company be and is hereby altered by substituting the existing Article (3) with the following manner

3. The Authorized Share Capital of the Company is Rs 32,00,00,000/- (Rupees Thirty Two Crore Only) consisting of 15,00,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only), with a power to subdivide, consolidate and increase and with power , from time to time, to issue any share of the original capital with and subject to any preferential , qualified and special right, privileges or conditions as may be though fit, and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

**RESOLVED FURTHER THAT**, any of the Director/Company Secretary of the Company be and are hereby authorized to file the necessary forms with the Registrar of Companies and Stock Exchange, and to do all such acts, things and deeds as may be deemed expedient and necessary to give effect to this resolution."

## **8 ISSUANCE OF EQUITY SHARES ON PREFERENTIAL BASIS UPON CONVERSION OF DEBT INTO EQUITY**

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

"RESOLVED THAT pursuant to the provisions of Section 42 & 62 of the Companies Act, 2013 read with Companies(Management and Administration) Rules, 2014 and all other applicable provisions, if any of the Companies Act, 2013 and various to date amendments, notifications, relevant circulars thereof (hereinafter referred to as "the Act") and other applicable laws (including any statutory amendment (s), modification (s) and/ or re-enactment (s) thereof for the time being in force) and pursuant to the provisions of the Memorandum of Association and Articles of Association of the Company as amended up to date and subject to the Listing Agreements entered into by the Company with the BSE Limited where the equity shares of the Company are listed and further subject to the regulations for preferential issue of shares as contained in Chapter VII "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be modified or re-enacted from time to time (hereinafter referred as "SEBI (ICDR) Regulations"), the Foreign Exchange Management Act, 2000 (hereinafter referred as "FEMA") and all other applicable regulations prescribed including, other applicable rules, notifications, guidelines and circulars issued by various authorities including but not limited to the Government of India, the Securities Exchange Board of India (hereinafter referred as "SEBI"), the Reserve Bank of India (hereinafter referred as "RBI") etc., as may be applicable and as amended till date and in furtherance to the scheme of Strategic Debt Restructuring ("SDR") approved by the HOCAC-III Group on March 28, 2016 and conveyed by SDR Cell vide its letter of approval dated July 11, 2016 and subject to such approvals, permissions, sanctions and consent (s) as may be necessary from the regulatory and other applicable authorities (including but not limited to the SEBI, SDR EG, Monitoring Committee, Monitoring Institution, the Reserve Bank of India, the lending banks, the Government of India etc) and subject to such terms, alterations, conditions, changes, variations and/ or modifications as



may be prescribed by any of them while granting such approval (s), the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include Committee of Directors and SDR Committee which the Board has constituted, to which all the powers hereby conferred on the Board by this resolution, have been or may hereafter at any time, be delegated) to offer, issue and allot in one or more tranches up to 7,75,32,350 fully paid up Equity Shares of the Company, having face value of Rs. 2/- each at a price per Equity Share of Rs 2/- to the following SDR Lenders ("Proposed Allottees") whose names are agreed between the Board and Monitoring Committee / Monitoring Institution in terms of the SDR LOA dated July 11, 2016 on a preferential basis against the outstanding FITL/WCTL facilities availed by the Company from time to time till date: -

<b>Name of the CDR Lenders</b>	<b>Loan amount</b>	<b>No of shares to be allotted</b>
Punjab National Bank	Rs. 9,12,14,500/-	4,56,07,250
Allahabad Bank	Rs. 6,38,50,200/-	3,19,25,100
Total	Rs. 15,50,64,700/-	

"RESOLVED FURTHER THAT the "Relevant Date" for the preferential issue of the aforesaid Equity Shares is 11th July, 2016 i.e. the date of the Letter of Approval of the Strategic Debt Restructuring Scheme by the HOCAC-III, under the Strategic Debt Restructuring framework of Reserve Bank of India in accordance with Regulation 71 of SEBI (ICDR) Regulations, 2009 as amended from time to time."

"RESOLVED FURTHER THAT the Equity Shares to be so issued and allotted pursuant to this resolution shall rank pari passu in all respects with the existing equity shares of the Company in accordance with and subject to passing of Resolution by members."

"RESOLVED FURTHER THAT the number of Equity Shares to be so issued and allotted pursuant to this resolution shall be subject to reconciliation between Monitoring Institution/Monitoring Committee/Proposed Allottees and Company."

"RESOVLED FURTHER THAT the Equity Shares to be so issued and allotted as above, shall be subject to the lock-in for a period of One (1) year as per the provisions of ICDR Regulations, as amended from time to time."

"RESOVLED FURTER THAT the Equity Shares to be so issued and allotted as above shall be listed and traded at the BSE Limited on which the existing Shares of the Company are listed."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of the Equity Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Equity Shares, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities/ Stock Exchanges/ SEBI etc. for obtaining requisite approvals, liaising with the appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing,

listing and trading of Equity Shares, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Equity Shares".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors/Officials of the Company."

By order of the Board

PLACE: Baddi  
DATE: 25/07/2016

Sd/-  
(Ramesh Gupta )  
DIN :- 00161363  
DIRECTOR  
HNO. 11-12, SECTOR 1  
PARWANOO, HIMACHAL PRADESH

**NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 12<sup>th</sup> Day of August, 2016 to 20<sup>th</sup> Day of August, 2016 (both days inclusive)
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out detail relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.

7. Members may also note that the Notice of the 27<sup>th</sup> Annual General Meeting and the Annual Report for 2015- 16 will also be available on the Company's website [www.sturdyindustries.com](http://www.sturdyindustries.com) for their download. The physical copies of the foresaid documents will also be available at the Company's Registered Office in Baddi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, **Sturdy Industries Limited**, the shareholders may also send requests to the Company's investor email id: **legalsturdy@gmail.com**
8. The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing agreement) are furnished as under: -

Name of the Director	Sh. Amit Gupta
Date of Birth	21/11/178
Date of Appointment	30.09.2003
Qualifications	Graduation (Mech Eng.)
List of other Indian Companies in which Directorship held	Tirupati Aluminium Ltd Swati Pipes Private Ltd
Chairman/Member of the Committee of Board of other Companies	1
Equity Shares held in the Company	345850

15. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and of the Listing Regulations, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

**The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted are as under:-**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "STURDY INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 **then enter RA00000001 in the PAN field.</li> </ul> <p>** Enter your Sequence number mentioned in address Label affixed on Annual Report.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Detail	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant STURDY INDUSTRIES LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xviii) Mr. Mast Ram Chechi, Company Secretary of M. R. Chechi & Associates, Chandigarh, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on Wednesday, 17<sup>th</sup> August, 2016 at 9:00 a.m. and ends on Friday, 19<sup>th</sup> August, 2016 at 6:00 p.m., During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the

cut-off date (record date) of Monday, 25<sup>th</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## **EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **ITEM NO. 4**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Balwinder & Associates, Cost Accountants, for conducting the audit of cost records of the Company for the financial year ended March 31, 2016. Further in terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee is proposed to be ratified by the Members of the Company. The Members may therefore, consider and if agreed ratify the appointment and remuneration payable to the Cost Auditors during the year 2015-16 as set out in the Resolution.

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

The Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

### **ITEM NO. 5 & 6**

The members are informed the resolution proposed under serial nos. if passed as proposed by the members of the Company as a special resolutions, such consent and approval of the members shall be deemed to be an authorization, confirmation and adoption by the members of the Company for issue of equity shares upon conversion of debt in terms of the Scheme of Strategic Debt Restructuring (SDR) as approved by Monitoring Institution constituted by the lenders and same if required shall be subject to the Regulation 10(2) of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Monitoring Institution constituted by the lenders while approving the Scheme of Debt Structuring observed as under:

#### **1.1 JLF and justification for SDR**

The performance of SIL has been reviewed several times by JLM and SIL has not been performing as per the projections of SDR package and has also not been able to achieve certain critical milestones stipulated as per the SDR package.

Due to persistent irregularity in the account, the account was restructured on 02.07.2014 by HOCAC III & subsequently reviewed on 28.12.2015. As per restructuring package, the repayment of WCTL was to be started from April 2016 whereas repayment of FITL was to be started from Oct 2015.



As per latest position of the account the SIL has paid interest as well as installments till December 2015 & CC account is regular except payment of interest for the month of March 2016. All these accounts of company are in standard category.

The performance of the company was reviewed in various JLM last being on 01.03.2016 & it has been observed that due to non achievement of projected/accepted sale level alongwith accepted level of EBIDTA, which has resulted to take a decision in JLM to invoke SDR. The main reason for decline in sales & low EBIDTA level is due to :

1. Slow down in economy during FY 2013-14 & 2014-15.
2. Deferment/cancellation of orders from PGCIL due to Govt Policy.
3. During this period dependability of the company increases in State Electricity Board Tenders where profit/margin is very low & realization of Debtors is also very low.
4. Sales of Aluminum Composite Panels is negligible due to slow down in Commercial Real Estate.

## 2. Strategic Debt Restructuring (SDR)

### 2.1 RBI guidelines on SDR

RBI introduced "Strategic Debt Restructuring Scheme "vide circular dated June 8, 2015. With a view to ensuring more stake of promoters in reviving stressed accounts and provide banks with enhanced capabilities to initiate change of ownership in accounts which fail to achieve the projected viability milestones, banks may, at their discretion, undertake a 'Strategic Debt Restructuring (SDR)' by converting loan dues to equity shares.

#### 2.1.1 Key features of SDR package

- i) The condition attached to the restructured loan/s agreed with the borrower, an option to convert the entire loan (including unpaid interest), or part thereof, into shares in the company in the event the borrower is not able to achieve the viability milestones and/or adhere to 'critical conditions' as stipulated in the restructuring package.
- ii) Post the conversion, all lenders under the JLF must collectively hold 51% or more of the equity shares issued by the company
- iii) The JLF must approve the SDR conversion package within 90 days from the date of deciding to undertake SDR
- iv) The conversion of debt into equity as approved under the SDR should be completed within a period of 90 days(or as permitted by RBI as per new guidelines)from the date of approval of the SDR package by the JLF.
- v) The invocation of SDR will not be treated as restructuring for the purpose of asset classification and provisioning norms
- vi) On completion of conversion of debt to equity as approved under SDR, the existing asset classification of the account, as on the reference date, will continue for a period of 18 months from the reference date. Thereafter, the asset classification will be as per the extant IRAC norms, assuming the aforesaid 'stand-still' in asset classification had not been given.
- vii) Banks should ensure compliance with the provisions of Section 6 of Banking Regulation Act and JLF should closely monitor the performance of the company and consider appointing suitable professional management to run the affairs of the company



- viii) JLF and lenders should divest their holdings in the equity of the company as soon as possible.
- ix) The asset classification benefit provided at the above paragraph is subject to the following conditions:

a. The 'new promoter' should not be a person/entity/subsidiary/associate etc. (domestic as well as overseas), from the existing promoter/promoter group. Banks should clearly establish that the acquirer does not belong to the existing promoter group; and

b. The new promoters should have acquired at least 51 per cent of the paid up equity capital of the borrower company. If the new promoter is a non-resident, and in sectors where the ceiling on foreign investment is less than 51 per cent, the new promoter should own at least 26 per cent of the paid up equity capital or up to applicable foreign investment limit, whichever is higher, provided banks are satisfied that with this equity stake the new non-resident promoter controls the management of the company.

#### 2.1.2 Regulatory exemptions

<b>Parameters</b>	<b>Exemptions</b>
Conversion of debt into equity	SDR excise to convert debt into equity would not be considered as restructuring for the purpose of asset classification and provisioning norms.
Pricing	Exemption from SEBI Issue of Capital and Disclosure Requirements Regulations, 2009 for issue of preference shares
Open offer	Exemption from the obligation to make an open offer on acquiring 25% or more shares under regulation 3 and regulation 4 of the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Intra group exposure	Exemption from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.
Mark-to-market loss	Exemption from the requirement of periodic mark-to-market for the 18 month period for the equity shares acquired under this scheme.
Refinancing of loan	On divestment to a 'new promoter', banks may refinance the existing debt of the company without treating the exercise as 'restructuring' subject to banks making provision for any diminution in fair value of the existing debt on account of the refinance.
Investor-associate	On holding more than 20% of voting power, such investment may not be treated as investment in associate in relationship case of SDR.

SDR package provides for conversion of FITL/defaulted amount as per the option of the lenders. It is proposed to convert FITL/ defaulted overdue amount of Rs 15,50,64,700/- by lenders into fully paid up equity shares of SIL at par, under the RBI guidelines for SDR.

Similarly SDR scheme empowers the lenders to convert their defaulted overdues into equity shares of the company.

None of the Directors, Key Managerial Personnel are concerned or interested, either financial or otherwise in the said resolution.

#### **ITEM NO. 7**

The members are informed that the lending Banks have invoked the Strategic Debt Restructuring (SDR) Scheme and thus in order to comply with the terms and conditions as stipulated by the Reserve Bank of India and the lending Banks, the Company is under obligation to issue and allot shares to the lending banks. Whereas, the existing authorised share capital of the company is only Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lac Only) which is not sufficient to accommodate the proposed allotment of shares to the lenders pursuant to the SDR scheme. Thus, it has been recommended by your Board to increase the authorised share capital to Rs 32,00,00,000/- (Rupees Thirty Two Crore Only) consisting of 15,00,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only), by creation of additional 6,75,00,000 Equity shares of Rs. 2/- each.

Further consequent upon an increase in the Authorised Share Capital, the clause (V) of the Memorandum of Association and Article (3) of the Articles of Association shall be subject to the alteration /amendment as mentioned in the proposed resolution. Accordingly your Board has recommended to pass the resolution as a special resolution for effecting the above alteration/amendment in the respective clauses of Memorandum & Articles of Association of the company.

None of the Directors, Key Managerial Personnel are concerned or interested, either financial or otherwise in the said resolution.

#### **ITEM NO. 8**

The members are informed that as per Section 42, 62 and other applicable provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, hereinafter referred to as SEBI (ICDR) Regulations and other applicable provisions of the applicable laws, consent and approval of shareholders is required for issue and allotment of 7,75,32,350 equity shares of Rs 2/- each to the lenders as per Strategic Debt Restructuring Scheme (SDR), on preferential basis and pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations.

Hence your Board has recommended to pass the resolution converting Rs 15,50,64,700/- into 7,75,32,350 equity shares of Rs 2/- each at par under the SDR Scheme.

Other terms applicable to the proposed issue and allotment of shares shall be as follows :

(a) Shares will be issued to the lenders at par by conversion of defaulted amount of FITL/WCTL etc.

(b) The equity shares shall be subject to lock in for a period of one year as per SEBI (ICDR) Regulations.

(c) The equity shares now to be issued shall rank pari-passu with the existing equity shares of the Company in all respects.

(d) The equity shares not to be issued and allotted pursuant to this resolution shall be subject to reconciliation between Monitoring Institution/ Monitoring Committee/ Proposed allottees and the Company.

(e) The disclosure in compliance with Regulation 73 of the SEBI (ICDR) Regulations are as follows :

(i) Object of the issue

In order to implement SDR Scheme as approved by the Lenders, board is proposing to be issued and allotted equity shares of Rs 2/- each at par, the price as per RBI notification dated 08<sup>th</sup> June, 2015.

(i) Proposal of the Promoter/ Promoters Group/ Promoters Group entities to subscribe to the offer :

No Promoter or Promoters Group or any entities of the Promoters are allotted shares in the SDR scheme.

The identity of the proposed allottees (Lenders), the percentage of post preferential allotment that may be held by the lending Banks shall not be less than 51% equity shares and change in control

(ii) Shareholding patten before and after the proposed issue as on 30th June 2016.

Sr No.	Particulars	Pre-Allotment		Allotment Trench		Post Allotment	
		No. of Equity	% age of Shares	No. of Equity	% age of Shares	No. of Equity	% age of Shares
	<b>Promoter Group</b>						
<b>A1</b>	<b>Individual/Hindu Undevided Family</b>	<b>16673667</b>	<b>25.93</b>	<b>0</b>	<b>0</b>	<b>16673667</b>	<b>11.76</b>
	Central Government/State Government(s)	0	0	0	0	0	0
	Financial Institutions/Banks	0	0	0	0	0	0
	Any Other (Body Corporates)	17314200	26.92	0	0	17314200	12.21
	<b>Sub Total (A)(1)</b>	<b>33987867</b>	<b>52.85</b>	<b>0</b>	<b>0</b>	<b>33987867</b>	<b>23.97</b>
<b>A2</b>	<b>Foreign</b>			<b>0</b>	<b>0</b>		
	Individual/Non Resident Individual/Foreign Individual	0	0	0	0	0	0
	Government	0	0	0	0	0	0
	Institutions	0	0	0	0	0	0
	Foreign Portfolio Investor	0	0	0	0	0	0
	Any Other (Specity)	0	0	0	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>33987867</b>	<b>52.85</b>	<b>0</b>	<b>0</b>	<b>33987867</b>	<b>23.97</b>

	<b>PUBLIC SHAREHOLDING</b>						
<b>B1</b>	<b>Institutions</b>						
	Mutual Fund	0	0	0	0	0	0
	Venture Capital Funds	0	0	0	0	0	0
	Alternate Investment Funds	0	0	0	0	0	0
	Foreign Venture Capital Investor	0	0	0	0	0	0
	Foreign Portfolio Investors	0	0	0	0	0	0
	Financial Institutions/Banks	0	0	7,75,32,350	100%	7,75,32,350	54.65
	Insurance Companies	0	0	0	0	0	0
	Provident Fund/Pensions Funds	0	0	0	0	0	0
	Any Other Specify	0	0	0	0	0	0
	Sub Total (B)(1)	0	0	7,75,32,350	100%	7,75,32,350	54.65
<b>B2</b>	Central Government/State Government/President of India	0	0	0	0	0	0
	Sub Total (B)(2)	0	0	0	0	0	0
<b>B3</b>	<b>Non-Institutions</b>						
	1. Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	14664128	22.8	0	0	14664128	10.34
	2. Individual Shareholders holding Nominal Share Capital Above 2 Lacs	5054548	7.86	0	0	5054548	3.55
	NBFCs Registered with RBI	37937	0.06	0	0	37937	0.07
	Employee Trusts	0	0	0	0	0	0
	Overseas Depositories (Holding DRs) (Balancing Figure)	0	0	0	0	0	0
	Any other (Specify)			0	0		
	Bodies Corporate	9612766	14.95	0	0	9612766	6.77
	Non Resident Indians	178530	0.28	0	0	178530	0.13
	Resident Indian Huf	772134	1.2	0	0	772134	0.53
	Trusts	0	0	0	0	0	0
	Clearing Members/House	1050	0	0	0	1050	0
	Others	0	0	0	0	0	0
	Sub Total (B)(3)	30321093	47.15	0	0	30321093	21.42
	Total Public Shareholding (B) = (B)(1) + (B)(2) + B (3)	30321093	47.15			10,78,53,443	76.03
	<b>GRAND SHAREHOLDING</b>	<b>64308960</b>	<b>100</b>			<b>14,18,41,310</b>	<b>100%</b>

(iii) The time limit within which the preferential issue shall be completed.

The allotment of Equity Shares pursuant to SDR Scheme shall be completed within the period prescribed vide SEBI (ICDR) Regulations. In case the approval or permission by any regulatory authority or the Central Government for allotment is pending, the period shall be reckoned with from the date of such approval or permission as the case may be.

(iv) The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue :

S. No.	Name	Present Holding		Proposed Allotment	After Allotment	
		No. of Equity Sahres	% of Share Holding	No. of Equity Shares	No. of Equity Shares	% of Share Holding
1	Punjab National Bank	0	0	4,56,07,250	4,56,07,250	32.15
2	Allahabad Bank	0	0	3,19,25,100	3,19,25,100	22.51
		<b>Total</b>		<b>7,75,32,350</b>	<b>7,75,32,350</b>	<b>54.66</b>

Identity of the Person who is the Ultimate Beneficial Owner/Control

S. No.	Name	PAN	Address	Identity of the Person who is the Ultimate Beneficial Owner/Control
1	Punjab National Bank	AAACP0165G	(SECTOR-1, PARWANOO, DISTT SOLAN H.P	Punjab National Bank
2	Allahabad Bank	AACCA8464F	SECTOR-11 PANCHKULA, HARYANA	Allahabad Bank

(v) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provisions of these regulations where it is required to do so.

(vi) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

(vii) Certificate from Statutory Auditor

A copy of the certificate issued by Chartered Accountant & Practising Company Secretry certifying that the issue of the equity shares is being made in compliance of provisions of SEBI Regulations, is open for inspection by the shareholders of the Company at its registered office on all working days between 10.00 a.m. to 5.00 p.m. upto the 20<sup>th</sup> August, 2016.

(viii) Reference date - In case of SDR Reference date was decided as July 11, 2016. Regarding pricing, it is exempted from SEBI (ICDR) Regulations, 2009 for issue on preferential basis. As per RBI notification dated 8th June, 2015 shares will be issued at par and a certificate of valuation is attached.

(ix) Lock in - Equity shares allotted to the lenders shall be locked for a period of 1 year from the date of trading approval in as per SEBI(ICDR) Regulations, 2009.

(x) The equity shares shall be listed at BSE.

#### Change in Management

The aforesaid preferential allotment of equity shares will not result in any change in control over the management of the affairs of the Company and the existing Promoters/ Promoters Group of the Company shall continue to be in control of the Company.

#### Exemption from making a public announcement

The aforesaid preferential allotment of equity shares which are being issued in pursuance of approved SDR Scheme authorized by the shareholders by way of a special resolution shall be exempted from making a public announcement for an open offer under regulation 10(2) of the SEBI Takeover Regulations.

Section 62 of the companies Act, 2013 as amended from time to time, the provisions of listing agreement entered into with the Stock Exchanges, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 62 unless the shareholders decide otherwise. Since the resolution proposed in the notice results in the issue of equity shares of the company otherwise than to the members of the Company, consent of the shareholders is being sought.

None of the Directors, Key Managerial Personnel are concerned or interested, either financial or otherwise in the said resolution.

By order of the Board

PLACE: Baddi  
DATE: 25/07/2016

Sd/-  
(Ramesh Gupta )  
DIN :- 00161363  
DIRECTOR  
HNO. 11-12, SECTOR 1  
PARWANOO, HIMACHAL PRADESH

## DIRECTORS' REPORT

Dear Stakeholders,

Yours directors have pleasure in presenting their 27<sup>th</sup> (Twenty Seventh) Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2016.

### FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. In lacs)	
	31.03.2015	31.03.2015
Revenue from Operation	30856.97	43100.46
Other Income	525.09	174.88
Expenses`	33045.91	45868.73
Profit(Loss) before tax	(1663.85)	(2593.39)
Deferred Tax	585.57	(531.88)
Loss from the Period	(2249.42)	(2061.50)

### REVIEW OF OPERATIONS AND BUSINESS PERFORMANCE

During the financial year under review, the Company's performance has been decreased as compared to the previous year. During the year, the company has achieved turnover including (income from other sources) of Rs. 31382.06 lacs. However the expenditure side of the Company has also been proportionally decreased to Rs. 33045.91 lacs. Resultantly, the company incurred a loss of Rs. 2249.42 lacs due to the reasons such as: i) Slow down in economy ii) Deferment/Cancellation of orders from PGCIL due to Govt. policy iii) Increase in dependability in State Electricity Board tenders where profit margin was very low and realization of Debtors was also very low. Fourth reason was that the sales of Aluminum Composite panels was negligible due to slow down in commercial real estate. Your management is striving hard to improve the financial position of the Company by devising effective marketing plans and strategies.

### DIVIDEND

Since the company has not earned any profit during the year hence the Company is unable to declare any dividend for this year.

### LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (Bombay Stock Exchange Ltd.) and the Company has paid the Annual Listing Fees to BSE for the financial year 2016-17.

### DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

Company has no subsidiaries, associates and joint venture companies. Henceforth, a statement of the subsidiary Companies/ Associate Companies/Joint Ventures as per Form AOC-1 is not required.



### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return, in Form MGT -9 for the Financial Year 2015-16 has been enclosed with this report as **Annexure 1**.

### **NUMBER OF BOARD MEETINGS**

The detail of number of meetings of the Board held during the financial year 2015-16 forms part of the Report on Corporate Governance.

### **DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013:**

In accordance with the provisions of section 134(5) the Board confirm and report that:—

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

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

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

(e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

### **NOMINATION & REMUNERATION COMMITTEE POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of this policy is explained in the Report on Corporate Governance.

### **RE-APPOINTMENT OF INDEPENDENT AUDITOR**

M/s B.M. VARMA & CO., Chartered Accountants, Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Himanshu Sharma & Associates, Company Secretary in Practice (C.P. No. 11553) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in prescribed format MR.-3 given by aforesaid Secretarial Auditors is annexed to this Board Report as **Annexure 2** and forms an integral part.

Following are the reply in respect of the Auditor observations:-

<b>Auditor Observation</b>	<b>Reply</b>
Till date company has not filed MGT-14 in respect of Secretarial Auditor and Internal Auditor.	Form will be filled shortly as the Digital Signatures of Authorized signatories were not available.
Company has not appointed Company Secretaries as per the provision of Section 203 of the Companies Act, 2013.	Company has contact some of the HR Based Agencies for the Company Secretary Requirement and the same is on positive note and will be appointed Shortly.
Company has not Appointed Woman Director of the Board of the Company.	In FY 2015-16, Company appointed Two Times Woman Director on the Board of the Company to comply with the requirements but both resigned during the year. Now again, this time company is in process and will appoint shortly.
Company has not appointed Internal Auditor as per Section 138 of the Companies Act, 2013	Being into and Hilly Area of Himachal and away from Metro Cities it is difficult to find a person for a longer period and the same is in process for the appointment of New Internal Auditor and will comply with the requirement as early as possible.
Company has constituted Nomination & remuneration Committee but its composition is not as per section 178 of	Due to the resignation of Independent/Non Executive Director during the year the composition of Nomination & Remuneration

the Companies Act, 2013	Committee could not be made as per the requirement of the Section 178 of the Companies Act, 2013. But there are still Two Independent Non-executive Director are the Member of the Committee and majority of the composition is with the Non executive Director. Chairman of the Committee is also an Independent Non Executive Director.
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### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

Complete details of Loans, Guarantees and Securities, and Investments covered under Section 186 of the Companies Act, 2013 given during the year under review is provided below:

#### **Details of Loans:**

<b>S r N o</b>	<b>Date of maki ng loan</b>	<b>Detail s of Borro wer</b>	<b>Amou nt</b>	<b>Purpose for which the loan is to be utilized by the recipient</b>	<b>Time perio d for which it is given</b>	<b>Date of BR</b>	<b>Date of SR (if reqd)</b>	<b>Rate of Interes t</b>	<b>Securit y</b>
	NIL								

#### **Details of Investments:-**

<b>SL N o</b>	<b>Date of invest ment</b>	<b>Details of Investee</b>	<b>Amount</b>	<b>Purpose for which the proceeds from investment is proposed to be utilized by the recipient</b>	<b>Date of SR (if reqd)</b>	<b>Expected rate of return</b>
1	2005-06	Investment in Equity Instruments	Rs. 549960/-	Not yet realized	NA	Not Known
2.	2007-08	Investment in Mutual Funds	Rs. 1100000/-	Not yet realized	NA	Not Known

#### **Details of Guarantee / Security Provided:**

<b>SL N o</b>	<b>Date of providing security/guar antee</b>	<b>Detail s of recipi ent</b>	<b>Amou nt</b>	<b>Purpose for which the security/gu arantee is proposed to</b>	<b>Date of BR</b>	<b>Date of SR (if any)</b>	<b>Commissi on</b>
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				<b>be utilized by the recipient</b>			
2	30/05/2013	Tirupati Aluminium Ltd	Rs. 30.40 Cr.	Working Capital Requirements	25/5/2013	NA	NA

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2015-16 in the prescribed format, AOC 2 has been enclosed with the report as **Annexure 3**.

### **AMOUNTS TRANSFERRED TO RESERVES**

Losses of Rs. 22.49 Cr. has been transferred to the reserve of the Company.

### **TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

No unclaimed or unpaid amount is lying in the Books of the company which is to be transferred to Investor Education & Protection Fund.

### **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

#### **A. AMALAGANTION OF M/S. TIRUPATI ALUMINIUM LIMITED WITH THE COMPANY**

During the year under review, the Board of Directors of the company approved the Scheme/arrangement between the company and M/s. Tirupati Aluminium Limited. After approval of the scheme the company in terms of the provisions of Clause 24(F) of Listing Agreement filed an advance copy of the Company Petition with BSE Limited on 09/01/2016 for seeking No Objection Certificate (NOC) from SEBI. Thereafter, the company filed the company petition before the Hon'ble High Court of Shimla (HP) for seeking sanction of the scheme. The Hon'ble High Court of Himachal Pradesh vide orders dated 03/03/2016 Allowed the First Motion with directions to seek the shareholders, creditors both secured/un-secured including trade creditors of the company and that of M/s. Tirupati Aluminium Limited. The General meetings as per the directions of the Hon'ble High Court were convened and held on 10<sup>th</sup> April, 2016 as per the Court Rules and procedure prescribed under the Companies Act including for seeking consent of the members through postal ballots/e-voting etc. All the shareholders and creditors of the company approved and adopted the scheme for the amalgamation of M/s. Tirupati Aluminium Limited with the company. The Chairmen/Chairpersons filed their reports/result regarding the outcome of the respective meetings before the Hon'ble High Court of Himachal Pradesh. The Hon'ble

High Court of Himachal Pradesh was obliged to pass orders on the second motion and thereby directed the Registrar of Companies, Official Liquidator and Regional Director to file their respective reports.

## **B. APPROVAL OF STRAGIC DEBT RESTRUCTURING SCHEME (SDR)**

The Strategic Debt Restructuring Scheme (SDR) approved by the lending banks whose loans are being restructured (the "SDR Lenders") under the Strategic Debt Restructuring scheme issued by the Reserve Bank of India (RBI) under the Strategic Debt Restructuring guidelines formulated, whereby the lenders agreed to undertake SDR in the Joint Lenders Meeting (JLM) held on 28<sup>th</sup> March, 2016. The SDR scheme mainly envisages about the conversion of outstanding Debt into Equity and allotment of 51% shares is required to be made to the lenders. This SDR once implemented shall have very good impact on the financial position of the company.

## **RISK MANAGEMENT POLICY**

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Provisions relating to Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **MACHANISM FOR EVALUATION OF BOARD**

Pursuant to the provisions of the Companies Act, 2013 and SEBI(LODR) Regulation 2015, a structured procedure was adopted after taking into consideration of the various aspects of the Board's functioning composition of the Board and its committees, execution and performance of specific duties, obligations and governance.

The performance evaluation of the independent Directors was completed. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors. The Board of Directors expresses their satisfaction with the evaluation process.

## **DIRECTORS**

Mrs. Satya Bhama and Ms. Renu Devi resigned from the Post of Women Director of the Company during the year under review.

Further , pursuant to the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company, Mr. Amit Gupta, Whole Time Director of the

Company, liable to retire by rotation at the ensuing Annual General Meeting offers himself for re-appointment. The brief resume of Mr. Amit Gupta, who is proposed to be re-appointed, is provided in the Report on Corporate Governance.

### **DEPOSITS**

The following details of deposits, covered under Chapter V of the act:

- I. Deposits Accepted during the year; **NIL**
- II. Remained unpaid or unclaimed as at the end of the year; **NIL**
- III. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

**NIL**

IV The details of deposits which are not in compliance with the requirements of Chapter

### **CHANGES IN SHARE CAPITAL, IF ANY**

The authorized share capital of the Company remain same to Rs. 185,000,000 (Rupees Eighteen Crores and Fifty lacs only) divided into 82,500,000 (Eight Crore Twenty Five Lacs) Equity Shares of Rs. 2/- each and 2,00,000 (Two lacs) Preference Shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the company is Rs 148,617,920/- divided into 64,308,960 equity shares of Rs. 2/- and 2,00,000 Preference shares of Rs. 100/- each.

### **DECLARATION BY INDEPENDENT DIRECTOR**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Agreement.

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

The information required under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 relating to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" is given in the **Annexure - 4** forming an integral part of this Report.

**STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted reputed firms of Chartered Accountants. The main trust of internal audit is to test and review controls, appraisal of risks and business processes, beside benchmarking controls with best practices in the Industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

**CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company

**MANAGERIAL REMUNERATION**

Statistical Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed with this report as **Annexure -5**.

**RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY**

During the year under review the Managing Director and Whole time Director neither received any Commission nor any remuneration from Company's Holding or Subsidiary Company.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Board of Directors have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.



**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place an Anti Harassment policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There was no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Report on Management Discussion and Analysis, pursuant to Listing Agreement is annexed to this report.

**CORPORATE GOVERNANCE**

The Company has complied with all the conditions of Corporate Governance as stipulated in Listing Agreement with Bombay Stock Exchange Limited during the year ended on 31<sup>st</sup> March, 2016 as per Report on Corporate Governance annexed and a Certificate from the Auditors to this effect for the year ended on 31<sup>st</sup> March, 2016 is also enclosed with this report.

**COST AUDIT**

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013, your Company carries out an audit of cost records. The Company has appointed M/s Balwinder & Associates, Cost Accountants, as Cost Auditor of the Company for the financial year 2015-16

The cost audit report for financial year end 31<sup>st</sup> March, 2016 will be filed with Central Government in due course.

**CASH FLOW ANALYSIS**

In conformity with the provisions of Listing Agreement and Companies Act, 2013, the Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2016 is annexed hereto.

**PERSONNEL**

Your Directors place on record their appreciation for the significant contribution made by all the employees, who through their competence, hard work, solidarity and co-operation, have enabled the Company to withstand the impact of slowdown.

**TRADE RELATIONS**

The Board wishes to place on record its appreciation for the support and co-operation that the Company received from its suppliers, distributors, retailers and other associates. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavor to build and nurture strong

links based on mutuality, respect and co-operation with each other and consistent with customer interest.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory and government authorities, for their continued support.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS**

PLACE: Baddi  
DATE : 30/05/2016

**Sd/-**  
(MOHAN LAL GUPTA)  
(DIN NO. 00161184)  
MANAGING DIRECTOR

**sd/-**  
RAMESH GUPTA  
(DIN NO. 00161363)  
DIRECTOR

## **REPORT ON CORPORATE GOVERNANCE**

### **I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company strongly believes that good Corporate Governance is a pre-requisite for enhancing long term shareholders value and considers it be an internally driven need that does not merely need to be enforced externally. The Company is committed to the principles and features of good Corporate Governance and has consistently followed high standards of Corporate Governance in all its activities and processes:

The principles and practices the Company follows are imbibed in its system of working and are part and parcel of the Company's policies, rules, regulations and procedures.

Your company follows the Corporate Governance charts as provided under Listing Agreement with the stock Exchange which sets out the norms and disclosures that have to be followed by companies in respect of governance.

In this report, we confirm our compliance with the Corporate Governance criteria as provided under Listing Agreement.

### **II. BOARD OF DIRECTORS**

The Board is at core of the Company's Corporate Governance practices. It oversees the management and ensures the achievement of long term objectives of the company.

Your Company believes that an active, independent and participative board is a prerequisite to achieve and maintain the desired level of Corporate Governance. The composition of Board confirms to this objective. We ensure that the Board is provided with all relevant operational information to maintain a transparent decision making process.

#### **a) Composition and attendance in meetings**

As on March 31, 2016 the Board of Directors has 5(Five) members, with optimum combination of both Executive and Non-executive Directors and CFO as KMP in the Board of the Company. Company's Board now comprises of three Promoter Executives Directors and two independent non executive directors. The Composition of the Board is in conformity with Listing Agreements except the Woman Director. During the year under review your company appointed 2 Woman directors on the Board of the company but they resigned due to their pre-occupied schedule.

Minimum four prescheduled Board meetings are held every year. Additional meetings are held by giving appropriate notice to address specific needs of the company. The Board of

Directors met 11 times during the year on 14/05/2015, 30/05/2015, 13/08/2015, 01/09/2015, 03/10/2015, 06/11/2015, 14/11/2015, 18/01/2016, 13/02/2016, 14/03/2016 & 28/03/2016. The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months as stipulated under clause 49 of the listing agreement.

As mandated by Listing Regulations, none of the Directors are members of more than 10 Board level committees, nor are they Chairman of more than five committees in which they are members.

Details of the Board as on March 31, 2016, attendance of Directors at the Board of Directors Meetings held during 2015-16 and the last Annual General Meeting (AGM) held on 30.09.2015 are as follows:

Sr. No	Name of Director	Category#	DIN	Attendance Particulars			No. of other Companies Directorships and Committee memberships/ chairmanships of the company*		
				No. of Board Meetings attended		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
				Held	Attended				
1	Sh. Mohan Lal Gupta	PD/ ED	00161184	11	11	Yes	1	1	1
2	Sh. Ramesh Gupta	ED/PD	00161363	11	11	Yes	2	1	1
3	Sh. Amit Gupta	ED/PD	00161417	11	11	Yes	2	1	1
4	Sh. Ashok Omparkash Bhatia	ID/NED	02394943	11	11	Yes	1	1	1
5	Sh. Deveinder Nath Sharma	PD/ NED	00161621	11	11	Yes	1	1	1
6	Smt. Satya Bhama	PD/NED	00161882	1	1	Yes	1	0	0
7.	Ms. Renu Devi	ID/NED	07190275	2	0	No	0	0	0

- During the year Mrs. Satya Bhama resigned from the post of Additional Director of the Company.
- During the year Ms Renu Devi was appointed on 30.05.2015 as additional Director and she resigned w.e.f. 29.09.2015

#### **Shareholding and Remuneration of Non-Executive Directors (NED):**

Name of Director	Category	No. of shares held (Rs 2/- paid up)	Remuneration
Sh. Ashok Omparkash Bhatia	ID/NED	0	Nil
Sh. Deveinder Nath Sharma	ID/NED	0	Nil

As per requirement of listing regulations, the company has adopted a familiarization programme for the Independent Directors which has been displayed on the website of the Company.

#### **Role of Board Members:**

The Board of Directors of the Company directs the Company by formulating and reviewing Company's policies, strategies and business plans. The Board of the Company provides leadership and strategic guidance to the Company and exercises control over the Company, while remaining at all times accountable to the shareholders.

The Board of Directors of the Company is constituted in compliance with the Corporate Governance principles. As on the date of adoption of Corporate Governance Report, the Board is having six members with Sh. Ashok Omparkash Bhatia, chairing the Board.

The Company has not entered into any materially significant transaction with its Directors/Management or relatives etc. affecting the interest of the Company at large except in normal course of business.

#### **Procedure of the Board Meetings:**

The meetings of the Board are convened by giving appropriate advance notice to the members of the Board.

The Compliance officer of the Company circulates internal notice to all the Board members and division heads asking for the suggestions/ details of any matter which requires discussion or approval of the Board so that the same could be incorporated in the agenda of the Board meeting. The date of the Board meeting is fixed taking into account convenience and availability of the Board members.

The Board of the Company is presented with all the relevant information on various vital matters affecting the working of the Company as well as those matters, which require deliberation at the highest level. Board Members are given appropriate documents / detailed notes and information in advance of each Board and Committee Meeting. The minutes of the Committee of Board of Directors are taken as read at the meeting of Board for information of

the members. The follow up actions of important agenda items of previous Board meeting are placed at the Board meeting for review of the Board.

The Compliance officer of the Company conducts the Board meetings and prepares all documents including minutes of the meeting in compliance with the provisions of the Companies Act and other statutory enactments.

### **Compliance Officer**

Mr. Ramesh Gupta, Whole Time Director of the company is designated as a Compliance Officer of the company, who can be contacted at: **STURDY INDUSTRIES LIMITED Corporate office or at** Email id:- [legalsturdy@gmail.com](mailto:legalsturdy@gmail.com)

### **Directors retiring by Rotation**

In Compliance with provisions of the Companies Act, 2013, Mr. Amit Gupta will be retiring by the rotation at the forthcoming Annual General Meeting and being eligible, offered themselves for re-appointment.

Name	:-	Mr. Amit Gupta
Date of Birth	:-	11.08.1978
Date of Appointment	:-	30.09.2003
Expertise in Specific	:-	He is one of the core promoters of the company. He is responsible for purchase and domestic marketing. He has more than 10 years of experience in operation & maintenance activities of plant.
List of Outside Directorship :-		Tirupati Aluminum Limited Swati Pipes Private Limited
Membership/Chairmanship :- Of the committees of Board of Directors		Tirupati Aluminum Limited
Number of Shares Held in the:- Company		3458506 Equity Shares of Rs. 2/- each

### **III. COMMITTEES OF THE BOARD**

Currently, the Board has three committees: Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee

#### **1. AUDIT COMMITTEE**

The scope of activities of the Audit Committee is as set out as per Listing regulations with the BSE Limited read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as follows:

1. Oversight 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through and issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as postaudit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the Financial Year 2015-16, 4 meetings of the Audit Committee were held on 22/05/2015, 10/08/2015, 29/10/2015, and 10/02/2016.

The details of present composition of the committee and attendance of the members at the meetings are as under:

Sr. No.	Name of Director	Category	Attendance Particulars	
			No. of Board Meetings attended	
			Held	Attended
1	Mr. Devinder Nath Sharma	ID/ NED	4	4
2	Mr. Ashok Omparkash Bhatia	ID/NED	4	4
3	Mr. Ramesh Gupta	PD/ED	4	4

All members of the Audit Committee are financially literate and possess requisite accounting or financial management expertise.

The powers, role and terms of reference of the Committee are as per Listing Regulations and the Committee reviews information as prescribed.

## 2. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration committee as set out as per Listing Regulations and additional scope approved by the Board, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Assessing and reviewing the performance of Senior/Top Management Employees of the Company and recommend their remuneration package as per Policy of the Company after considering the employment scenario, remuneration package of the industry and remuneration package of the managerial talent of other industries.

### **Details of remuneration paid to the whole-time Director for the financial year ended 31<sup>st</sup> March, 2016**

The company has paid remuneration to the following directors by way of salary, special allowance, performance linked pay and perquisites. The payment of remuneration shall be within the overall limit as approved by the shareholders of the company.

<b>Sr. No.</b>	<b>Name</b>	<b>Salary &amp; Allowances (R In Lacs)</b>
1.	Sh. Mohan Lal Gupta	15.00
2.	Sh. Ramesh Gupta	15.00
3.	Sh. Amit Gupta	15.00
	<b>TOTAL</b>	<b>45.00</b>

During the financial year ended on 31st March, 2016, 4 (four) meetings of the Nomination and Remuneration Committee were held on 22/05/2015, 10/08/2015, 29/10/2015 & 10/02/2016.

The composition of the Nomination and Remuneration Committee is as given below:

Sr. No.	Name of Director	Category	Attendance Particulars	
			No. of Board Meetings attended	
			Held	Attended
1	Mr. Devinder Nath Sharma	ID/ NED	4	5
2	Mr. Ashok Omparkash Bhatia	ID/NED	4	5
3	Mr. Amit Gupta	PD/ED	4	4
4	Mrs Satya Bhama	PD/NED	1	1
5	Ms. Renu Devi	ID/NED	1	1

### 3. SHARE TRANSFER AND INVESTORS' GRIEVANCE (STIG) COMMITTEE

The STIG Committee has formed pursuant to the listing regulations for specifically looks in to redressal of shareholders and investors' complaints such as transfer of shares, non receipt of share certificates, non-receipt of Balance sheet, non receipt of declared dividends and to ensure expeditious transfer process.

During the Financial Year 2015-16, 5 meetings of the committee were held on 22.05.2015, 10.08.2015, 01/09/2015, 29/10/2015 & 10/02/2016

The details of present composition of the STIG committee and attendance of the members at the meetings are as under:

Sr. No.	Name of Director	Category	Attendance Particulars	
			No. of Committee Meetings attended	
			Held	Attended
1	Mr. Ashok Bhatia, Chairman	ID/ NED	5	5
2	Mr. Devinder Nath Sharma	ID/NED	5	5
3	Mr. Ramesh Gupta	ED/PD	5	5

All complaints received from the shareholders were resolved to their satisfaction.

### IV. SHAREHOLDERS INFORMATION

#### General Body Meetings

**Particulars of General Meetings held in last three years:**

AGM/EGM	Year	Venue	Day & Date	Time	No. of Special Resolution passed
26 <sup>th</sup> A.G.M.	2014-15	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Wednesday, the 30 <sup>th</sup> Day of September, 201	09.30AM	5
25 <sup>th</sup> A.G.M	2013-14	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Tuesday, the 30 <sup>th</sup> day of September 2014	10.00 A.M.	Nil
24 <sup>st</sup> A.G.M	2012-13	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Monday, the 30 <sup>th</sup> day of September 2013	10.00 A.M.	Nil

No special resolution was put through Postal Ballot during the year 2015-16. However, resolution for the approval of Amalgamation of Tirupati Aluminium Limited with the Company was put through Postal Ballot for vote in the March & April, 2016.

**V. DISCLOSURES:**
**Related Party Transactions**

During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company in large. The transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in the Balance Sheet (See Note 10 to the Notes of Accounts of financial statements in the Annual Report). Also, there has not been any non-compliance by the Company in this regard.

The Policy on dealing with Related Party Transactions as approved by the Board is posted on the Company Website.

No penalties or strictures were imposed by the Stock Exchange, SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March, 2016.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements and the Company has not adopted a treatment different from that prescribed in the Accounting Standards or revised relevant schedule of the Companies Act, 2013 read with rules made there under there under.

The Company has not adopted any non-mandatory requirements. The Company has framed a Whistle Blower Policy.

The Management affirms that no person has been denied access to the Audit Committee. All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters. In matters other than those with pecuniary interests, the Directors are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on the date of this Report:

### **Risk Management**

The Company periodically identifies, assesses and monitors risks associated with project implementation, foreign exchange fluctuation, processes and systems, statutory compliances, HR policies etc. The Internal Auditor conducts periodical audits and reports to the Audit Committee at its meetings on the adequacy of the procedures.

### **Details of use of proceeds from Public/Rights Issue**

During the year, the Company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.

### **Details of Directors appointed/Reappointed**

Details of Directors being appointed / re-appointed, have been disclosed in the Notice and Explanatory statement attached thereto for the AGM, i.e. a brief resume, nature of expertise in specific functional areas, names of directorships and committee memberships and their shareholding in the Company.

### **Code of Conduct**

The company has adopted a code of conduct for the members of the Board and for every employee of the Company in compliance with the provisions of Listing Regulations. Commitment to ethical professional conduct is a must for every employee, including Board members and senior management. The code is intended to serve as a basis of ethical decision making in conduct of professional work. The code of conduct enjoins that each individual in the must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline All Board members and senior Management personnel affirm compliance with the code of conduct annually.

A declaration signed by the Chief Executive Officer (CEO) to this effect is given below:

"I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2015-16."

Place: Baddi  
Date : 30/05/2016

-Sd-  
Mohan Lal Gupta  
Managing Director

Details of non-compliance by the company, penalties, structures imposed on the company by Stock Exchange or SEBI, or any other statutory authority, or any matter related to capital markets, during the last three years. –

- Bombay Stock Exchange Ltd has imposed penalty on the Company due to non compliance of Listing Agreement provisions in respect of the delay in submission of Annual Report of the financial year 2013-14 to stock exchange. The same matter is under process.

## **MANAGEMENT**

The management discussion and analysis report giving an overview of the Industry, Company's Business and its financials is provided separately as a part of this Annual Report.

## **INSIDR TRADING**

Pursuant to Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations the company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with securities of the company. Under this code, Directors including Insiders (i.e. Designated Employees) are prevented from dealing in the Company's shares. To deal in Securities beyond specified limits, permission of Compliance Officer is required. All Designated Employees are also required to disclose related information as defined in the Code. The purpose of the code is also to guide company's transaction and dissemination of price sensitive information to outside agencies and to ensure timely and adequate disclosures thereof to regulatory authorities on a continuous basis.

## **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

## **VI. MEANS OF COMMUNICATION**

Apart from furnishing the copies of the Unaudited Quarterly, Half yearly and Audited Results to all the stock exchanges where the shares of the company are listed, Company publish the result in newspapers. The financial results of the company and other information pertaining to the company are available on the company's website i.e.

<http://www.sturdyindustries.com/> The Company's website contains a separate dedicated section Investor's where shareholders information is available. The Annual Report of the Company is also available on the website in downloadable form.

## **VII. GENERAL SHAREHOLDERS' INFORMATION**

### **Annual General Meeting proposed to be Held**

Day, Date & Time                      Saturday, the 20<sup>th</sup> day of August 2016 at 09.30 A.M.

Venue    Plot No. 21, Industrial Area,  
Baddi, Distt Solan- HP

**Financial year**                                      1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

### **Financial Calendar 2015-2016 (Tentative)**

Results for the quarter ended 30 <sup>th</sup> June, 2016	By 13 <sup>th</sup> August, 2016
Results for the quarter ended 30 <sup>th</sup> Sep, 2016	By 14 <sup>th</sup> November, 2016
Results for the quarter ended 31 <sup>th</sup> Dec, 2016	By 14 <sup>th</sup> February, 2017
Results for the quarter ended 31 <sup>st</sup> March, 2017	By 30 <sup>th</sup> May, 2017

**Book Closure Dates :** Friday, 12<sup>th</sup> August 2016 to Saturday, 20<sup>th</sup> August 2016 (Both days inclusive )

### **Listing on Stock Exchange**

Bombay Stock Exchange Limited, Mumbai

### **Registrar and Share Transfer Agents**

**Skyline Financial Services Private Limited,**  
D-153 A, Okhla Industrial Area,  
Phase-1, New Delhi- 110020,  
E-mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

### **Share Transfer System**

Applications for transfer of shares held in the physical form are received at the Corporate Office of the Company at 55-57, Industrial Area, Sector I, Parwanoo-HP. All valid transfers are processed and brought into effect within a period of 15 days from the date of receipt.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and transfer agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.



The Company had made agreements with both depositories i.e., CDSL and NSDL. Now, the shareholders of the Company can dematerialize their shares with CDSL and NSDL. Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under the advice to the shareholders.

### **Dematerialization of shares and liquidity**

The Equity Shares of the Company have been admitted by both depositories namely, NSDL and CDSL.

BSE Scrip ID : 530611  
Demat ISIN No. : INE 134F01026

As on 31<sup>st</sup> March, 2016, 50750360 equity shares representing 78.92% of the company's total paid up capital had been dematerialized.

### **STOCK DATA**

Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at Bombay Stock Exchange Limited (BSE) for the year 2015-16. (Face Value Rs. 2/- per share)

<b>BOMBAY STOCK EXCHANGE</b>			
<b>Month &amp; Year</b>	<b>High</b>	<b>Low</b>	<b>Volume(No. of Trades)</b>
April, 2015	1.90	1.31	165
May, 2015	1.85	1.55	21
June, 2015	1.84	1.19	82
July, 2015	1.54	1.19	93
August, 2015	2.03	1.36	129
September, 2015	1.47	1.07	88
October, 2015	1.47	1.06	56
November, 2015	1.47	1.28	80
December, 2015	1.76	1.30	130
January, 2016	2.21	1.78	118
February, 2016	2.10	1.56	12
March, 2016	1.49	1.19	109

### **Distribution of shareholding as at 31/03/2016:**

Distribution of shareholding of the equity shares of the company by size and ownership class as on 31/03/2016 is as under:

(a) Shareholding pattern by size:

Shareholding of Nominal Value of Rs	No. of Shareholders	% to Total	No. of Shares (Rs.)	% to Total
Upto 5000	3273	72.81	6363430	4.95
5001 to 10000	519	11.55	4301768	3.34
10001 to 20000	282	6.27	4503526	3.50
20001 to 30000	199	4.43	4967244	3.86
30001 to 40000	52	1.16	1862432	1.45
40001 to 50000	28	0.62	1304526	1.01
50001 to 100000	59	1.31	4529374	3.52
100001 to above	83	1.85	100785620	78.36
<b>Total</b>	<b>4495</b>	<b>100.00</b>	<b>128617920</b>	<b>100.00</b>

(b) Shareholding Pattern by ownership:

Category	No of Shares held	Voting Strength (%)
Promoters Holding	33987867	52.85
Non-Promoter Holding	30321093	47.15

**Registered office and Plant Locations**

- I) 21, Industrial Area, Baddi, Distt. Solan (HP)
- II) Village Saidpura, Derabassi (Punjab)
- III) Village Bhatoli Khurd, Baddi (HP)
- IV) 36-37, Industrial Area, Sector-1, Parwanoo (HP)
- V) 44-45, Industrial Area, Sector-1, Parwanoo (HP)
- VI) Industrial Growth Centre, Chatabari, Chaygaon, Distt. Kamrup, (Assam)

**Address for Correspondences**

# 55-57, Industrial Area, Sector I, Parwanoo, Distt, Solan-173220 (HP)

**Non- Mandatory Requirements:**

The Company is taking steps to comply with the non- mandatory requirements. The Board wishes to ensure that the non- mandatory disclosures requirements would be complied in the near future.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS**

	<b>Sd/-</b>	<b>sd/-</b>
PLACE: Baddi	(MOHAN LAL GUPTA)	RAMESH GUPTA
DATE : 30/05/2016	(DIN NO. 00161184)	(DIN NO. 00161363 )
	MANAGING DIRECTOR	DIRECTOR

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The report on Management Discussion and Analysis is akin to the Company's performance in the current economic and industry scenario. The report also details the threats perceived and the opportunities available to the Company.

### **I. INDUSTRY STRUCTURE AND DEVELOPMENT:**

Sturdy Industries Limited (incorporated in 1989) is the flagship of the prominent Rs 700-Cr Chemiplast Group (established in 1975). Our business interests comprises Irrigation Systems- Drip & Sprinkler Irrigation, Power generation products- Aluminium Conductors, cables, wire rods, I.T. Infrastructure products- HDPE PLB Ducts. The Company has successfully sailed through the turbulent waters of overall economic recession and today the company is a leading manufacturer of specialized irrigation system and aluminium conductors in India. The Company's product portfolio is increasing. The company has already ventured into the Power Sector and the Management is working on the same so that the ambit of the company widens and the Company can grow steadfast in the new areas. The core competence of the Company remains to add on activities which are the need of the hour and be a leader in the Industry. During the year under review the company has achieved a turnover of Rs. 3085696742.64, as compared to the previous year turnover of Rs. 4310046404.67. The turnover of the company has fallen substantially. The Financial expenses of the company have decreased during the year. The Company has incurred a loss of Rs. 224941655.49 during the financial year under review. The Company has met the standards set by the Management and the Management is committed to scale new heights and peaks in the times to come. The company has been further strengthened and able to compete in original sector with large players. The driving force behind the Company's success is the able guidance and experience of Mr. M. L. Gupta and Mr. Ramesh Gupta. The management's vision to be a Leader in the Industry is being achieved and the commitment to achieve this is unmatched.

### **II. OPPORTUNITIES AND THREATS :**

Opportunities and risks go side by side in the business and one cannot have only opportunities and no risks. The major risk that is perceived is low quality products being manufacture at lower cost being thrown into the market by the competitors. The Company's initiatives in this direction help the company to perceive risks and be ready to counter them The Company is expanding its manufacturing capacity for the domestic and the export markets. The Company has to sustain its growth, retain its leadership and for that no stone is left unturned. Consistent efforts are put in to cover the risks in the business. Pricing and procurement risks are reduced through integrated management efforts and plans. The Company key competitive strengths are:

1. Strong brand name in the Industry
2. Increasing product base
3. Cost competitiveness
4. Venturing into expansion and reaching new horizons
5. Diverse revenue streams

### **III. OUTLOOK :**

The key products of the Company are as follows:

>Micro Irrigation Systems, sprinkler and drip irrigation systems and HDPE, PVC and LLDPE pipes. The SWATI brand of the Company products have made a mark for itself in the Industry

- > Metallic/colored Aluminum Composite panels and sheets with SUNBOND brand name well accepted in the market.
- > Power transmission and distribution infrastructure comprising Aluminium conductors, cables and aluminium wires.
- > The new line being added to the company's product portfolio is venturing into the Power Sector i.e. by setting up of EPC division.

#### EXPORTS:

The Company's initiatives in the Direction are expected to bear fruits in the coming times as with the appointment of Distributors abroad the Company has been able to make its name in the Foreign Market. The management is exploring new ways and means to venture into the other parts of the world and the talks and negotiations are on for the export of different products under the ambit of the Company. The Company has been exporting its products to UAE, Mauritius, Spain, Africa, Switzerland, Bulgaria, among others.

#### **IV. RISKS AND CONCERNS :**

Risk means uncertainties about events and their outcomes that could have a material impact on the performance and projections of the Company. Since risk is inherent in every business, it is the Company's responsibility to minimize its incidence in order to protect and enhance shareholder value.

Our framework for combating risks recognizes that risks may be divided into two broad categories - risks that are common and relevant for most business in general and risks that are more specifically applicable to your company and business in particular. The Risk Management Policy at STURDY INDUSTRIES LIMITED inter-alia provides for Risk identification, assessment, and reporting and mitigation procedure. The Policy is continuously updated and adopted to the changing environment in which the Company operates.

#### **Risks of General Nature :**

Risks relating to the general macroeconomic environment of the Company include risks associated with political and legal changes, changes in tax structures, and commercial rules & laws. The Company keeps a proactive track to anticipate such changes and mitigate associated risks to the extent possible.

Risks related to man-made and natural disasters such as explosions, earthquakes, storms as well as civil disturbances are handled by following best practices in the design of structures and "safety first" as a guiding principle while designing technical and business processes duly supplemented with requisite insurance coverage.

The third set of general risks relates to risks from market led changes. These include risks associated with sudden fall in GDP and growth rates, overall market condition in India and abroad, or sudden changes in market preferences. The mitigation of these risks is achieved by a cost-effective and flexible working structure which would allow the Company to scale up or scale down working in affected areas in accordance with the changes.

#### **Specific Risks:**

We have identified the some specific risks that need more detailed attention in the present circumstances and business of the Company. The Company is structurally focussing on increasing the revenue from other manufacturing business streams and strategically enhancing the growth of these segments, which will help is off-setting the over dependence on the watch segment.

**Risk related to Personnel:**

Our business is increasingly dependent on the skills and competencies of our employees and management team. The general war for talent in our growing economy has created a risk related to the retention of key personnel both in manufacturing and retail sector. This risk is mitigated through effective HR policies relating to recruitment and retention and a proactive remuneration and rewards policy that is periodically reviewed at the highest management level.

**V. INTERNAL CONTROL SYSTEM :**

A strong internal control culture is an important focus and thrust area in the company. The company has comprehensive internal systems, controls and policies for all the major processes to ensure the reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. The formalized systems of control facilitate effective compliance as per Listing Agreement. The company also has well documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted due to business needs. The Company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled. The Company has a sound internal control system for financial reporting for various transactions, efficiency of operations and compliance with relevant laws and regulations. Suitable delegation of power and also the guidelines for preparation of accounts have been issued for uniform compliances. The Company has established a separate internal Control department to exercise the various controls and see check that all the organization's departments function properly. The internal control department reviews the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate. The scope and authority of the Internal Audit activity are well defined in the Internal Audit scope and guidelines, approved by the Audit Committee. Internal Auditors develops a risk based annual audit plan with inputs from major stake holders, and the major focus areas as per previous audit reports.

**VII. HUMAN RESOURCE AND INDUSTRIAL RELATIONS :**

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adapt to contemporary technological advancements. We lay special emphasis to the human resources function and believe that our opportunities and competitive compensation policy help us in attracting and retaining our personnel. We have an elaborate performance system in place comprising goal setting and periodic reviews (including confirmation and annual reviews). The review sessions impress upon several aspects of the professional's careers such as career and competency, individual preferences and organizational needs. Our compensation package has a fixed component in line with the industry standards and a variable component linked to the corporate and individual performance.

**VIII. CAUTIONARY STATEMENT :**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities, laws and regulations. Important factors that could make a difference to the Company's operations include, among other things, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors.

**IX. CORPORATE IMAGE BUILDING :**

Sturdy continued with the corporate image building initiatives in 2015-16 with focus on the Customer contact programs. Emotional Connect initiatives such as performing puja during the delivery of goods and customer meets were organized. This along with well-planned media relations activities made sure Sturdy's growth story was present in the mass media throughout the year. Sturdy explored branding and communications with a view to explore both, external and internal communications to best effect. Our credit screens and processes are aligned to deliver superior customer service to our target customers who are largely first time buyers and small customers in deeper reaches of rural and semi urban India. On the other hand our Captive Suvridha team focuses on converting our existing customers into lifelong customers. Sturdy continues to invest time and money in further refining sales processes and systematic measurement of process metrics, aimed at improving efficiency and customer satisfaction. Significant investments in branch network and sales force automation will hold the key to winning customers in an ever increasing competitive environment.

**X. FUTURE PROSPECTS:**

Considering the overall business conditions, the Company is confident about its future prospects. The Directors are striving hard to bring better symmetries of proper utilization of resources and to Accomplish the basic goals with an overall objective of customer satisfaction. The low manufacturing cost of our products is our basic strength and the Company offers the good quality products to its customers at an acceptable price. The ever rising raw material cost is a growing concern to all. Aluminum, plastic and energy costs have recorded historical high prices, and with energy crisis the Company expects the raw material costs and bank rate of interest to remain high in 2015. The Company will continue to strike for correct selling price in order to maintain an acceptable profit margin. Management believes that with the ongoing efforts to control overall cost, improve plant efficiency and create the right mix of products, the Company will emerge as the most successful company in India.

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**as on the financial year ended ON 31<sup>st</sup> March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN :- L25209HP1989PLC009557  
 ii) Registration Date :- 27/07/1989  
 iii) Name of the Company :- **STUDRY INDUSTRIES LIMITED**  
 iv) Category / Sub-Category of the Company :- Public Company(Limited by Shares)  
 v) Address of the Registered office and contact details :- 21 INDUSTRIAL AREA ,BADDI, HIMACHAL PRADESH.  
 Telephone no: 01792-232570, 232863, 232864  
 Fax no.: 01792-232770  
 vi) Whether listed company :- Yes  
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:-  
 SKYLINE FINANCIAL SERVICES PRIVATE LIMITED, D-153 A, OKHLA INDUSTRIAL AREA,  
 PHASE-1, NEW DELHI- 110020, E-MAIL: [admin@skylinerta.com](mailto:admin@skylinerta.com)  
 Phone No. :- 011-64732681-88, Fax 011-26812682

**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:-

Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnoverof the company
Plastic Pipes & Irrigation	25209	24.58%
Aluminum Devision(Conductor)	31300	63.16%

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

There is no subsidiaries and associate companies.



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

**i) Category-wise Share Holding (Continued)**

**ii) Shareholding of Promoters**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	16673667	--	16673667	25.93	16673667	----	16673667	25.93	00
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	14314200	3000000	17314200	26.92	14314200	3000000	17314200	26.92	0.00
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A)</b>	28922967	3000000	31922967	52.85	30987867	3000000	33987867	52.85	0.00
<b>B. Public Shareholding</b>	--	--	--	--	--	--	--	--	--
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	--	--	--	--	--	--	--	--	--
<b>2. Non-</b>	--	--	--	--	--	--	--	--	--

<b>Institutions</b>									
a) Bodies Corp.	2975652	7018000	9993652	15.54	2412244	7018000	9430244	14.66	0.88
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9340271	3323600	12663871	19.68	11102292	3540600	14642892	22.77	3.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6504123	217000	6721123	10.45	5191797	0.00	5191797	8.07	2.38
<b>c) Others (specify)</b>									
Non Resident Indians	183712	--	183712	0.29	180390	0	180390	.28	.01
HUF	756715	--	756715	1.18	774133	0	774133	1.2	.02
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	2020	--	2020	0.01	63700	0	63700	0.1	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	19762493	10558600	30321093	47.15	19762493	10558600	30321093	47.15	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	19762493	10558600	30321093	47.15	19762493	10558600	30321093	47.15	0.00
	50747860	13561100	64308960	100	50750360	13558600	64308960	100	00
Total A+B									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--

<b>Grand Total (A+B+C)</b>	50747860	13561000	64308960	100	50750360	13558600	64308960	100	--
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### B) Shareholding of Promoter-

SN	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	
SHARES HELD IN PHYSICAL FORM	SHARES HELD IN DEMAT FORM	SHARES HELD IN PHYSICAL FORM	SHARES HELD IN DEMAT FORM							
<b>INDIVIDUAL &amp; HUF:</b>										
1	Amit Gupta & Sons	0	81407	0.13	00	0	81407	0.13	81407	00
2	Amit Gupta	0	345850	0.54	00	0	345850	0.54	345850	00
3	Satya Bhama	0	424600	0.66	00	0	424600	0.66	424600	00
4	Usha Gupta	0	549085	0.85	00	0	549085	0.85	549085	00
5	Ramesh Kumar Gupta & Sons HUF	0	1036420	1.61	00	0	1036420	1.61	1036420	00
6	MOHAN Lal Gupta	0	3229826	5.02	00	0	3229826	5.02	3229826	00
7	Mohan Lal Gupt & Sons(HUF)	0	4476778	6.96	00	0	4476778	6.96	4476778	00
8	R K Gupta	0	6529701	10.15	00	0	6529701	10.15	6529701	00
<b>TOTAL</b>		0	16673667	16683667	00	0	16673667	25.92	16673667	00
<b>BODY CORPORATE:</b>										
9	Vats Plastic Pipes Pvt. Ltd.	00	629500	0.98	00	00	629500	0.98	629500	00
10	Jai Ambey Iron & Steel Ltd.	1000000	00	1.55	00	1000000	00	1.55	00	00
11	Ambey	1000000	00	1.55	00	1000000	00	1.55	00	00

	Vaishno Steel Pvt. Ltd.									
12	Shree Ambey Forging Pvt. Ltd.	1000000	00	1.55	00	1000000	00	1.55	00	00
13	Patriot Pipes Pvt. Ltd.	00	1997000	3.11	00	00	1997000	3.11	1997000	00
14	Jagan Irrigation Systems Pvt. Ltd	00	2306800	3.59	00	00	2306800	3.59	2306800	00
15	Saurabh Portfolios Pvt. Ltd.	00	2411400	0.54	00	00	2411400	3.75	2411400	00
16	Tirupati Aluminium Ltd.	00	2727000	4.24	00	00	2727000	4.24	2727000	00
17	Alpine Capital Service Ltd	00	4242500	6.60	00	00	4242500	6.60	4242500	00
	<b>TOTAL</b>	<b>3000000</b>	<b>14314200</b>	<b>23.71</b>	<b>00</b>	<b>3000000</b>	<b>12249300</b>	<b>36.92</b>	<b>14314200</b>	<b>0.00</b>

**C) Shareholding in Promoters (please specify, if there is no change):**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares held	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year:</b>				
1 Amit Gupta & Sons	81407	0.13	81407	0.13
2 Amit Gupta	345850	0.54	427257	0.67
3 Satya Bhama	424600	0.66	851857	1.33
4 Usha Gupta	549085	0.85	1400942	2.18
5 Ramesh Kumar Gupta & Sons HUF	1036420	1.61	2437362	3.79
6 MOHAN Lal Gupta	3229826	5.02	5667188	8.81
7 MOHAN Lal Gupta	4476778	6.96	10143966	15.77
8 R K Gupta	6529701	10.15	16673667	25.92
9 Vats Plastic Pipes Pvt. Ltd.	629500	0.98	17303167	26.90
10 Jai Ambey Iron & Steel Ltd.	1000000	1.55	18303167	28.45
11 Ambey Vaishno Steel Pvt. Ltd.	1000000	1.55	19303167	30.00
12 Shree Ambey Forging Pvt. Ltd.	1000000	1.55	20303167	31.55
13 Patriot Pipes Pvt. Ltd.	1997000	3.11	22300167	34.66
14 Jagan Irrigation Systems Pvt. Ltd	2306800	3.59	24606967	38.25
15 Saurabh Portfolios Pvt. Ltd.	2411400	3.75	27018367	42.00
16 Tirupati Aluminium Ltd.	2727000	4.24	29745367	46.24
17 Alpine Capital Service Ltd	4242500	6.60	33987867	52.84
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): NIL	No Change	No Change		
<b>At the end of the year:</b>				
1 Amit Gupta & Sons	81407	0.13	81407	0.13
2 Amit Gupta	345850	0.54	427257	0.67
3 Satya Bhama	424600	0.66	851857	1.33
4 Usha Gupta	549085	0.85	1400942	2.18
5 Ramesh Kumar Gupta & Sons HUF	1036420	1.61	2437362	3.79
6 MOHAN Lal Gupta	3229826	5.02	5667188	8.81
7 MOHAN Lal Gupta	4476778	6.96	10143966	15.77
8 R K Gupta	6529701	10.15	16673667	25.92
9 Vats Plastic Pipes Pvt. Ltd.	629500	0.98	17303167	26.90
10 Jai Ambey Iron & Steel Ltd.	1000000	1.55	18303167	28.45

11 Ambey Vaishno Steel Pvt. Ltd.	1000000	1.55	19303167	30.00
12 Shree Ambey Forging Pvt. Ltd.	1000000	1.55	20303167	31.55
13 Patriot Pipes Pvt. Ltd.	1997000	3.11	22300167	34.66
14 Jagan Irrigation Systems Pvt. Ltd	2306800	3.59	24606967	38.25
15 Saurabh Portfolios Pvt. Ltd.	2411400	3.75	27018367	42.00
16 Tirupati Aluminium Ltd.	2727000	4.24	29745367	46.24
17 Alpine Capital Service Ltd	4242500	6.60	33987867	52.84

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>				
1. MOTIA CONSTRUCTIONS LIMITED	2000000	3.11	2000000	3.11
2 IDYLLIC RESORTS PRIVATE LIMITED	2000000	3.11	4000000	6.22
3. NK SHARMA ENTERPRISES LIMITED	2000000	3.11	6000000	9.33
4. BCL HOMES LIMITED	1000000	1.55	7000000	10.88
5. VINOD GUPTA	995750	1.55	7995750	12.43
6.AARAM AGRICULTURE PRIVATE LIMITED	889438	1.38	8885188	13.81
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): NIL	No Change	No Change	---	---
<b>At the end of the year</b>				
1. MOTIA CONSTRUCTIONS LIMITED	2000000	3.11	2000000	3.11
2 IDYLLIC RESORTS PRIVATE LIMITED	2000000	3.11	4000000	6.22
3. NK SHARMA ENTERPRISES LIMITED	2000000	3.11	6000000	9.33
4. BCL HOMES LIMITED	1000000	1.55	7000000	10.88
5. VINOD GUPTA	995750	1.55	7995750	12.43
6.AARAM AGRICULTURE PRIVATE LIMITED	889438	1.38	8885188	13.81

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

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year:</b> 1. MOHAN LAL GUPTA 2. RAMESH GUPTA 3. AMIT GUPTA 4. SATYA BHAMA	7706604 7566121 345850 424600	11.98 10.75 0.13 0.66	7706604 15272725 15618575 16043175	11.98 22.73 22.86 23.52
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): INCREASE:	---	---	---	---
<b>At the end of the year:</b> 1. MOHAN LAL GUPTA 2. RAMESH GUPTA 3. AMIT GUPTA	7706604 7566121 345850	11.98 11.76 0.13	7706604 15272725 15618575	11.98 22.73 22.86



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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1958747882.12	320938723.00	78097433.00	2357784038.12
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	1958747882.12	320938723.00	78097433.00	2357784038.12
<b>Change in Indebtedness during the financial year</b>				
* Addition	--	1345139.00	--	--
* Reduction	97626733.99	--	--	--
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1861121148.13	322283862	78097433.00	2261502443.13
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	1861121148.13	322283862	78097433.00	2261502443.13

## 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
		Mohan Lal Gupta	Ramesh Gupta	Amit Gupta	
1	Gross salary	15,00,000	15,00,000	15,00,000	45,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00			00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	00			00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	00			00
2	Stock Option	00			00
3	Sweat Equity	00			00
4	Commission - as % of profit - others, specify...	00			00
5	Others, please specify	00			00
	Total (A)	15,00,000	1500000	1500000	45,00,000
	Ceiling as per the Act	As per the Act			As per the Act

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors			
	Fee for attending board committee meetings			
	Commission	---	---	---
	Others, please specify	---	---	---
	Total (1)	---	---	---
2	Other Non-Executive Directors	---	---	---
	Fee for attending board committee meetings	---	---	---
	Commission	---	---	---
	Others, please specify	---	---	---
	Total (2)	---	---	---
	Total (B)=(1+2)	---	---	---
	Total Managerial Remuneration	--	--	-----
	Overall Ceiling as per the Act	As per the Act	As per the Act	

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

SN	Particulars of Remuneration	Key Managerial Personnel(In Rs.)			
		CEO	CS	CFO	Total
1	Gross salary	---	---	3,60,000	---
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	---	---	---	---
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---	---
2	Stock Option	---	---	---	---
3	Sweat Equity	---	---	---	---
4	Commission	---	---	---	---
	- as % of profit	---	---	---	---
	others, specify...	---	---	---	---
5	Others, please specify	---	---	---	---
	Total	---	---	3,60,000	---

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					

## **Secretarial Audit Report**

(For the period 01/04/2015 to 31/03/2016)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Board of Directors  
Sturdy Industries Limited  
CIN L25209HP1989PLC009557  
BADDI

Dear Sir(s)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sturdy 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 my opinion thereon.

Based on our verification of the **M/s Sturdy Industries Limited** 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 ended on **31/03/2016**, 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 **Sturdy Industries Limited** ("**the Company**") for the financial year ended on **31/03/2016** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- Vi) Based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Laws, Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:-
- i. Labour Laws and other incidental Laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc:
  - ii. Acts prescribed under prevention and control of pollution.
  - iii. Acts prescribed under environmental protection
  - iv. Factory Act 1948
  - v. Central Excise Act 1944
  - vi. Custom Act 1962

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

- i) The Institute of Company Secretaries of India has prescribed Secretarial Standards which are mandatory for the year 2015-16.

- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

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

1. Till date company has not filed MGT-14 in respect of Secretarial Auditor.
2. Company has not appointed Internal Auditor as per Section 138 of the Companies Act, 2013.
3. Company has not appointed Company Secretaries as per the provision of Section 203 of the Companies Act, 2013.
4. Company has not appointed Woman Director as per the provision of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015.
5. Company has constituted nomination and remuneration committees but its composition is not as per section 178 of the Companies Act, 2013.

## **2. We further report that**

- \_ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- \_ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- \_ Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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 Himanshu Sharma & Associates  
Company Secretaries

Sd/-

Himanshu Sharma  
M No. 27235  
C.P. NO. 11553

Place :- New Delhi  
Date :- 30/05/2016

**Disclosure of Particulars of Contracts/Arrangements entered into by the Company**
**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)**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arms length basis.
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arms length basis:

Sno.	Name of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the board	Amount paid as advances if any	Date on which the special resolution was passed in the general meeting as required under the first proviso to section 188
1	<b>Chemiplast Industries</b> (Associate concern)	Business transactions (like sales, purchases, payment received, etc.)	Transactions in normal course of business.	Sale Purchase of Material at Arm length Price having aggregate value of Rs. 3753702 99/-	30/05 /2015	NA	NA
2	<b>Tirupati Aluminium Limited</b> (Associate concern)	Business transactions (like sales, purchases, payment received, etc.)	Transactions in normal course of business	Sale Purchase of Material at Arm length Price having aggregate value of Rs. 2275508 949/-	30/05 /2015	NA	NA

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:****A. CONSERVATION OF ENERGY :**

a) **Steps taken for conservation:** The Company continues to give high priority to conservation of energy on an on-going basis. A few significant measures taken are:

- I) Periodical and preventive maintenance of electric equipments and ensured optimum utilization of electric energy.
- II) Phased balancing of heating and lighting load.
- III) Increase in power factor by installing capacitor at the individual machines.

b) **Steps taken for utilizing alternate sources of energy :- NA**

c) **Capital investment on energy conservation equipments:-**

Further energy conservation is planned through replacement of and modification of inefficient equipments and by providing automatic controls to reduce idle running of equipments.

**B. TECHNOLOGY ABSORPTION:****Efforts made for technology absorption****1. Research and Development (R & D): NA**

a) **Specific areas on which R & D carried on by the Company:**

b) **Benefits derived as a result of the above R & D:**

c) **Future plan of action:**

d) **Expenditure on R&D:**

**2. Technology Absorption, Adaptation & Innovation :**

**Efforts, in brief, made towards technology absorption, adaptation and innovation:** The Company is constantly engaged in in-house R&D and is in constant touch with the new technologies.

**Benefits derived as a result of the above efforts:** Due to continuous developmental efforts, the Company has been able to produce much more complicated dials which were being imported until now.



3. i) **Technology imported:** None .

ii) **Year of Import:** N.A.

iii) **Has technology been fully absorbed? :** NA

iv) **If not absorbed, area where this has not taken place, reasons thereof and future plans of action:** N.A.

**C.FOREIGN EXCHANGE EARNINGS AND OUTGO (Rupees in Millions) 2014-15**

Foreign Exchange earnings :- \$488280.76

Foreign Exchange outgo Rs . NIL

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

<b>S.No. Requirements of Rule 5(1)</b>	<b>Details</b>		
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Mohan Lal Gupta	3:1	
	Mr. Ramesh Gupta	3:1	
	Mr. Amit Gupta	3:1	
(ii) The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive or Manager, if any, in the Financial year;	Name	As per Payout	As per Terms
	Mr. Mohan Lal Gupta	NA	NA
	Mr. Ramesh Gupta	NA	NA
	Mr. Amit Gupta	NA	NA
(iii) The percentage increase in the median remuneration of employees in the financial year	Nil		
(iv) The number of permanent employees on the rolls of company	100 as on 31.03.2016		
(v) The explanation on the relationship between average increase in remuneration and company performance	No appraisal been given during the year under review		
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration of the Key managerial personnel is in line with the performance of the company and individual		
(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	Detail	31.03.2016	31.03.2015
	Market Capitalization	803.66	842.45
	Share price – BSE	1.25	1.31
	EPS	NIL	NIL
	Net Worth	21.55 Cr.	27.37 Cr.
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	No increase in Remunerations		
(ix) Comparison of each remuneration of the Key Managerial	Equal		
(x) The parameters for any variable component of remuneration availed by the directors;	NA		
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors	2:1		
(xii) Affirmation that the remuneration is as per the	remuneration policy of the company		

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT**

We have examined the compliance of conditions of Corporate Governance by STURDY INDUSTRIES LIMITED for the year ended on 31st March 2016 as stipulated in the listing regulations of the SEBI(Listing Obligation & Disclosure Requirement)Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

On the basis of our review of the relevant records and documents maintained by the company and furnished to us for review and the information and explanation given to us by the company we certify that the company complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency with which the Management has conducted the affairs of the Company.

**FOR B.M. VERMA & CO**  
CHARTERED ACCOUNTANTS  
Regn No. 001099N

PLACE: CHANDIGARH  
DATE : 30/05/2016

-sd-  
(CA GURDEV BASSI)  
FCA, PARTNER



## **Independent Auditor's Report**

**To the Members of Sturdy Industries Ltd.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Sturdy Industries Ltd.** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements. 15 of 97.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its Loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the companies Act, 2015, read with Rule 7 of the Companies (Accounts) rules 2014.
  - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its Financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii No amount is required to be transferred to the Investor Education and Protection Fund by the Company as on 31 March, 2016.

for **B.M.VARMA AND CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No 001099N

Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009

PLACE: Chandigarh  
DATED: 30/05 /2016

## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2)
  - (a) The management has conducted the physical verification of inventory at reasonable intervals.
  - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the company pursuant to the companies ( Cost Records and Audit) Rules,2014, as amended and prescribed by the central Government under sub-section (1) of section 148 of the companies Act,2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

c) Details of dues of Excise Duty which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute (Nature of Dues)	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. In Crores)
Central Excise Act	Tribunal	2002-03	1.33
	Commissioner	2007-08	3.13
	High Court	2003-04	0.29

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the 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) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**for B.M.VARMA AND CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No 001099N**

**Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009**

**PLACE: Chandigarh  
DATED: 30/05 /2016**



## **Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Sturdy Industries Limited**

### **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 Sturdy Industries Limited (“the Company”) as of March 31, 2016 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. 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 judgement, 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 March 31, 2016, 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 B.M.VARMA AND CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No 001099N**

**Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009**

**PLACE: Chandigarh  
DATED: 30/05 /2016**

**STURDY INDUSTRIES LIMITED - BADDI H.P.**

**CIN:L25209HP1989PLC009557**

**Balance Sheet as at 31st March, 2016**

Particulars	Note No	Figures as at 31/03/2016	Figures as at the 31/03/2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	148,617,920.00	148,617,920.00
(b) Reserves and Surplus	2	66,843,483.87	125,069,125.36
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	1,554,751,251.00	1,652,196,279.00
(b) Deferred tax liabilities (Net)	4	60,512,094.77	1,955,222.77
(c) Other Long term liabilities		-	-
(d) Long term provisions	5	76,649,316.11	76,535,586.11
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	706,751,192.13	705,587,759.12
(b) Trade payables	7	796,454,469.94	794,587,639.65
(c) Other current liabilities	8	47,952,000.00	400,568.86
(d) Short-term provisions	9	4,224,830.00	8,731,431.31
<b>Total</b>		<b>3,462,756,557.83</b>	<b>3,513,681,532.19</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	10	779,068,522.83	833,114,748.90
(ii) Intangible assets		7,639,920.00	7,639,920.00
(iii) Capital work-in-progress	10	9,197,719.00	9,160,519.00
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	1,649,960.00	1,649,960.00
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	123,101,430.50	34,734,313.28
(e) Other non-current assets		-	1,283.00
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	13	694,113,530.40	639,918,743.11
(c) Trade Receivables	14	1,674,183,999.00	1,775,503,180.94
(d) Cash and cash equivalents	15	68,534,091.26	88,602,029.23
(e) Short-term loans and advances	16	105,040,481.84	123,194,934.73
(f) Other current assets	17	226,903.00	161,900.00
<b>Total</b>		<b>3,462,756,557.83</b>	<b>3,513,681,532.19</b>

Notes to Accounts & Accounting Policies

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**AUDITOR' REPORT**

as per our separate report  
of even date annexed hereto  
for B.M.VARMA AND CO.

**CHARTERED ACCOUNTANTS,**

**Firm Registration No 001099N**

SD/-

**CA Gurdev Bassi**

**PARTNER**

**Membership No 092009**

**Dated : 30/05/2016**

**Place : CHANDIGARH**

on behalf of the Board of Directors  
for **STURDY INDUSTRIES LTD.**

SD/-

**(RAMESH GUPTA)**

**WHOLE TIME**

**DIRECTOR**

**DIN-0161363**

SD/-

**(AMIT GUPTA)**

**WHOLE TIME**

**DIRECTOR**

**DIN-0161417**

SD/-

**KHEM CHAND**

**CFO**

**STURDY INDUSTRIES LIMITED - BADDI H.P.**

CIN:L25209HP1989PLC009557

**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No	Figures as at 31/03/2016	Figures as at the 31/03/2015
<b>I. Revenue from operations</b>	18	3,085,696,742.64	4,310,046,404.67
<b>II. Other Income</b>	19	52,509,916.14	17,488,328.16
<b>III. Total Revenue (I +II)</b>		<b>3,138,206,658.78</b>	<b>4,327,534,732.83</b>
<b><u>IV. Expenses:</u></b>			
Cost of materials consumed	20	2,965,829,345.60	3,964,671,520.56
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	21	(70,197,081.86)	231,522,425.96
Employee benefit expense	22	28,104,735.98	24,095,016.39
Financial costs	23	213,151,345.38	199,614,200.53
Depreciation and amortization expense		84,208,485.96	96,513,025.00
Other expenses	24	83,494,611.21	70,457,053.56
<b>Total Expenses</b>		<b>3,304,591,442.27</b>	<b>4,586,873,242.01</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(166,384,783.49)	(259,338,509.18)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(166,384,783.49)	(259,338,509.18)
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>(166,384,783.49)</b>	<b>(259,338,509.18)</b>
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		58,556,872.00	(53,188,238.38)
<b>XI. Profit(Loss) from the period from continuing operations</b>	(VII-VIII)	<b>(224,941,655.49)</b>	<b>(206,150,270.80)</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XVI. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

Notes to Accounts & Accounting Policies

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**AUDITOR' REPORT**

as per our separate report

of even date annexed hereto

for B.M.VARMA AND CO.

**CHARTERED ACCOUNTANTS,**

**Firm Registration No 001099N**

SD/-

**CA Gurdev Bassi**

**PARTNER**

**Membership No 092009**

**Dated : 30/05/2016**

**Place : CHANDIGARH**

on behalf of the Board,

for **STURDY INDUSTRIES LTD.**

SD/-

**(RAMESH GUPTA) (AMIT GUPTA)**

**WHOLE TIME**

**DIRECTOR**

**DIN-0161363**

SD/-

**WHOLE TIME**

**DIRECTOR**

**DIN-0161417**

SD/-

**KHEM CHAND**

**CFO**

**STURDY INDUSTRIES LIMITED - BADDI H.P.**

CIN:L25209HP1989PLC009

**Note 1 SHARE CAPITAL**

<u>Particulars</u>	<b>As at 31 March 2016</b>		<b>As at 31 March 2015</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
<b><u>Authorised</u></b>				
Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/-each	82,500,000	165,000,000.00	82,500,000	165,000,000.00
<b><u>Issued</u></b>				
Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/- each	64,308,960	128,617,920.00	64,308,960	128,617,920.00
<b><u>Subscribed &amp; fully Paid up</u></b>				
Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/-each fully paid	64,308,960	128,617,920.00	64,308,960	128,617,920.00
<b><u>Subscribed but not fully Paid up</u></b>				
Preference shares of Rs 100/- each	-	-	-	-
Equity Shares of Rs. 2/- each, not fully paid up	-	-	-	-
<b>Total</b>	<b>64,508,960</b>	<b>148,617,920.00</b>	<b>64,508,960</b>	<b>148,617,920.00</b>

**Note 1.1 Reconciliation of Number of share outstanding is set out below**

<u>Particulars</u>	<b>Preference Shares</b>			
	<b>As at 31 March 2016</b>		<b>As at 31 March 2015</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
Shares outstanding at the beginning of the year	200,000	20,000,000.00	200,000	20,000,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	200,000	20,000,000.00	200,000	20,000,000.00

<u>Particulars</u>	<b>Equity Shares</b>			
	<b>As at 31 March 2016</b>		<b>As at 31 March 2015</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
Shares outstanding at the beginning of the year	64,308,960	128,617,920.00	64,308,960	128,617,920.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	64,308,960	128,617,920.00	64,308,960	128,617,920.00

**Note 1.2**

Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31 March 2016	As at 31 March 2015
Equity Shares	NIL	NIL	NIL

**Note 1.3 The Detail of Shareholder holding more than 5% share.**

Name of Shareholder	Preference Share			
	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Aravali Industries limited	110000	55	110000	55
Name of Shareholder	Equity Shares			
	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M.L Gupta and Sons(HUF)	4476778	6.96	4476778	6.96
M.L Gupta	3229826	5.02	3229826	5.02
Shri Ramesh Gutpa	6529701	10.15	6529701	10.15
Alpine Capital Services Limited	4242500	6.60	4242500	6.60

**Note 1.4**

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
<b>Equity Shares :</b>	Amount
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

**Note 1.5 Unpaid Calls**

Particulars	Amount
By Directors	NIL
By Officers	NIL

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**

**Note 2 Reserve & Surpluses**

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
<b>A. Securities Premium Account</b>		
Opening Balance	69,636,000.00	69,636,000.00
Add : Securities premium credited on Share issue		-
<u>Less : Premium Utilised for various reasons</u>	-	
Premium on Redemption of Debentures		-
For Issuing Bonus Shares	-	
<b>Closing Balance</b>	<b>69,636,000.00</b>	<b>69,636,000.00</b>
<b>B. Revaluation Reserve</b>		
Opening Balance	110,938,000.00	110,938,000.00
(+) Current Year Transfer	32,347,614.00	
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>143,285,614.00</b>	<b>110,938,000.00</b>
<b>C. Other Reserves</b>		
<b>General Reserve</b>		
Opening Balance	9,095,131.26	9,095,131.26
(+) Current Year Transfer	-	
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>9,095,131.26</b>	<b>9,095,131.26</b>
<b>D. Subsidy</b>		
Opening Balance	375,600.00	
(+) Current Year Transfer	140,320,049.00	375,600.00
(-) Written Back in Current Year	-	
<b>Closing Balance</b>	<b>140,695,649.00</b>	<b>375,600.00</b>
<b>D. Surplus</b>		
Opening balance	(64,975,605.90)	144,439,676.79
(+) Net Profit/(Net Loss) For the current year	(224,941,655.49)	(206,150,270.80)
(-)(+) Provision for Taxation /Adj.	-	-
Add/Less: Additional Depreciation pursuant to enactment of Schedule II of the Companies Act 2013	5,951,649.00	<b>3,265,011.89</b>
<b>Closing Balance</b>	<b>(295,868,910.39)</b>	<b>(64,975,605.90)</b>
<b>Total</b>	<b>66,843,483.87</b>	<b>125,069,125.36</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**

**Note 3 Long Term Borrowings**

<u>Particulars</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>
<b>Secured</b>		
<b>(a) Term loans from Banks</b>		
(of the above, 100 % is guaranteed by Directors and Promoters / Others )	1,154,369,956.00	1,253,160,123.00
- Punjab National Bank- Parwanoo	-	-
<b>Unsecured</b>		
<b>(a) Term Loan</b>		
from Corporates	322,283,862.00	320,938,723.00
	1,476,653,818.00	1,574,098,846.00
	-	-
<b>Deposits</b>	78,097,433.00	78,097,433.00
<b>Total</b>	<b>1,554,751,251.00</b>	<b>1,652,196,279.00</b>

**\*Nature of Security and Terms of repayment for Secured Loans**

<u>Nature of Security</u>	<u>Terms of Repayment</u>
1. Working Capital Term Loan From PNB Amounting to Rs. 6758.50 Lacs(Pre.Year 6538.00 Lacs.)	1. Repayment in 72 Monthly Instalments Commencing from April, 2016. ROI 10.85 % P.A. as at year end. (Pre.Year ROI 11.50% )
2. FITL From PNB Amounting to Rs. 2261.51 Lacs(Pre.Year 1835.97 Lacs.)	2. Repayment in 30 Monthly Installments Commencing from Oct. 2015 ROI 10.85% P.A.(Pre Year 11.50%)
3. Working Capital Term Loan From Allahbad Bank Amounting to Rs. 930.68 Lacs (Pre .Year 931.01 Lacs)	3.Repayment in 72 Monthly Installments Commencing from April,2016 ROI 10.85% P.A.( Pre Year 11.50%)
4. FITL From Allahbad Bank Amounting to Rs. 184.88 Lacs ( Pre. Year 154.48 (Lacs) .The above said Term Loan secured by Hyp. of Block of assets both present & Future and 100% Guarantee of Directors.	4. Repayment in 30 monthly Installments Commencing from Oct. 2015 ROI 10.85% P.A. ( Pre Year 11.50%)
2. Term Loan Amounting to Rs. 1887.64 Lacs ( Rs. 3072.13 Lacs) As on 31.03.2014 ) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Assam.	2. Repayment in 36 Monthly Instalments Commencing from April, 2016. ROI 10.85 % P.A. as at year end (P. Year 48 Monthly Installment Commencing from April 2016. ROI 11.50% )
3. Term Loan Amounting to Rs.0.00 Lacs ( Rs.4.00 lacs As on 31.03.2015 ) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Baddi	3. Repayment in 35 Monthly Instalments Commencing from Feb, 2013. ROI 11.25 % P.A. as at year end ( previous Year NIL P.A. )



**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**

**Note 4** **Deferred Tax Liabilities**

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
Opening Balance	1,955,222.77	55,143,461.15
Add/Less : During the Year	58,556,872.00	(53,188,238.38)
<b>Total</b>	<b>60,512,094.77</b>	<b>1,955,222.77</b>

**Note 5** **Long Term Provisions**

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
<b>(a) Provision for employee benefits</b> Gratuity (unfunded)	4,138,205.00	4,024,475.00
<b>(b) Others</b> Securities Deposit	72,511,111.11	72,511,111.11
<b>Total</b>	<b>76,649,316.11</b>	<b>76,535,586.11</b>

**Note 6** **Short Term Borrowings**

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
<b>Secured</b> <b>(a) Loans repayable on demand</b> Working Capital Limits From Banks  (Secured By Hyp.of Stocks and Book Debts both Present and Future)  (of the above, ` 100 % is guaranteed by Directors and Promoters / Others )	706,751,192.13	705,587,759.12
<b>Total</b>	<b>706,751,192.13</b>	<b>705,587,759.12</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**

**Note 7 Trade Payables**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Sundry Creditors	762,950,945.32	794,587,639.65
Advances from Customers	33,503,524.62	
<b>Total</b>	<b>796,454,469.94</b>	<b>794,587,639.65</b>

**Note 8 Other Current Liabilities\***

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
(a) Current maturities of long-term debt		
Punjab National Bank & Allahabad Bank - WCTL, TERM LOAN & FITL	47,952,000.00	-
(b) Other payables (specify nature)	-	-
Punjab National Bank - Commercial Vehicle T/L	-	400,568.86
<b>Total</b>	<b>47,952,000.00</b>	<b>400,568.86</b>

**Note 9 Short Term Provisions**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
<b>(a) Provision for employee benefits</b>	<b>1,834,754.00</b>	<b>1,790,991.77</b>
<b>(b) Others</b>		
T.D.S. Payable	1,572.00	92,428.00
Excise Duty Payable	-	4,372,286.00
Entry tax Payable	13,869.00	
Audit Fee Payable	180,000.00	180,000.00
Vat Payable	863,125.00	181,843.82
CST Payable	71,659.00	317,758.72
Electricity and Water Charges	1,259,851.00	1,796,123.00
<b>Total</b>	<b>4,224,830.00</b>	<b>8,731,431.31</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**

CIN:L25209HP1989PLC009557

**Note 11 Non Current Investment**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>A Trade Investments (Refer A below)</b>		
(b) Investment in Equity instruments	549,960.00	549,960.00
(f) Investments in Mutual Funds	1,100,000.00	1,100,000.00
(h) Other non-current investments (specify nature)	-	-
<b>Total (A)</b>	<b>1,649,960.00</b>	<b>1,649,960.00</b>
<b>B Other Investments (Refer B below)</b>		
(h) Other non-current investments (specify nature)	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A + B)</b>	<b>1,649,960.00</b>	<b>1,649,960.00</b>
Less : Provision for diminution in the value of Investments	-	-
<b>Total</b>	<b>1,649,960.00</b>	<b>1,649,960.00</b>

Particulars	As at 31 March 2016	As at 31 March 2015
Aggregate amount of quoted investments at Market Price	3,428,819.48	3,946,254.51
Aggregate amount of unquoted investments	-	-
<b>Total</b>	<b>3,428,819.48</b>	<b>3,946,254.51</b>

**Note 12 Long Term Loans and Advances**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>a. Security Deposits /Earnest Monies</b>		
Unsecured, considered good	36,438,536.28	34,734,313.28
b) Balance with Excise, & Others Govt Authorities	86,662,894.22	
	123,101,430.50	34,734,313.28
<b>b. Loans and advances to related parties</b>		
Unsecured, considered good	0.00	-
	0.00	-
<b>Total</b>	<b>123,101,430.50</b>	<b>34,734,313.28</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**

**Note 13 Inventories**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
a. Raw Material (Valued at Cost or Market Price Whichever is Less)	291,071,655.39	308,505,481.96
b. Finished Goods (Cost or Market Price Whichever is less)	401,086,173.01	330,889,091.15
c. Work in Progress(Cost or Market Price Whichever is less)	-	-
e. Store & Spare (Cost or Market Price Whichever is less)	57,631.00	524,170.00
f. Packing Material (Cost or Market Price Whichever is less)	1,898,071.00	-
<b>Total</b>	<b>694,113,530.40</b>	<b>639,918,743.11</b>

**Note 14 Trade Receivable**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	681,308,463.73	951,363,518.95
Less: Provision for doubtful debts	-	-
	<b>681,308,463.73</b>	<b>951,363,518.95</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	992,875,535.27	824,139,661.99
Less: Provision for doubtful debts	-	-
	<b>992,875,535.27</b>	<b>824,139,661.99</b>
<b>Total</b>	<b>1,674,183,999.00</b>	<b>1,775,503,180.94</b>

**Note 15 Cash and Cash equivalents**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
a. Balances with banks	23,073,434.78	16,723,201.09
b. In Fixed Deposit	39,513,875.39	60,135,148.00
c. Cash in hand	5,946,781.09	11,743,680.14
<b>Total</b>	<b>68,534,091.26</b>	<b>88,602,029.23</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**

**Note 16 Short-term Loans and Advances**

<u>Particulars</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>
<b>a. Others (specify nature)</b>		
Unsecured, considered good		
i) Advance Tax/TDS	3,134,020.00	3,416,910.00
ii) Balance with Excise, & Others Govt Authorities	59,626,958.92	110,971,244.83
iii) Staff and Others	0.00	3,632,127.90
iv ) Prepaid Expenses	5,489,467.00	5,174,652.00
v) Advances to suppliers	36,790,035.92	
Total - b	105,040,481.84	123,194,934.73
<b>Total a+b</b>	<b>105,040,481.84</b>	<b>123,194,934.73</b>

**Note 17 Others Current Assests ( Specify Nature)**

<u>Particulars</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>
Tools and Dies	283,629.00	161,900.00
Less: Written off	56,726.00	
<b>Total</b>	<b>226,903.00</b>	<b>161,900.00</b>

**Note 18 Revenue from Operations**

<u>Particulars</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>
a. Sale of Goods:	3,278,452,084.53	4,461,322,703.24
b. Job Work	2,700.00	816,190.00
<u>Less:</u>		
Excise duty.	192,758,041.89	152,092,488.57
<b>TOTAL</b>	<b>3,085,696,742.64</b>	<b>4,310,046,404.67</b>

**Note 19 Other Income**

<u>Particulars</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>
Insurance Claim	-	2,158,330.00
Incentive	52,113,497.14	15,323,237.00
Others	396,419.00	6,761.16
<b>Total</b>	<b>52,509,916.14</b>	<b>17,488,328.16</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
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**Note 20 Cost of Material Consumed**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
<b>1. Raw Material</b>		
Opening Stocks of Raw Materials	308,505,481.96	183,300,965.06
ADD : Raw Material Purchased	3,158,595,806.09	4,507,921,825.32
ADD: Stock in Transit	61,213,048.47	
Less: Transfer	(294,397,474.50)	(428,700,324.21)
Closing Stocks of Raw Material	285,507,673.39	308,505,481.96
<b>Cost of Raw Material Consumed (a)</b>	<b>2,948,409,188.63</b>	<b>3,954,016,984.20</b>
<b>2. Store and Spares</b>		
Opening Stock	524,170.00	-
Add: Purchases	1,890,848.67	1,611,553.36
Less: Closing Stock	57,631.00	524,170.00
<b>Consumption of Stores and Spare (b)</b>	<b>2,357,387.67</b>	<b>1,087,383.36</b>
<b>3. Packing Material</b>		
Opening Stock	-	2,417,870.00
Add: Purchases	16,960,840.30	7,149,283.00
Less: Closing Stock	1,898,071.00	-
<b>Consumption of Packing Material (c)</b>	<b>15,062,769.30</b>	<b>9,567,153.00</b>
<b>Total (a+b+c)</b>	<b>2,965,829,345.60</b>	<b>3,964,671,520.56</b>

**Note 21 Change In Inventories**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
(a) Opening Stocks of Finished Goods	330,889,091.15	562,411,517.11
(b) Closing Stocks of Finished Goods	401,086,173.01	330,889,091.15
<b>Change In Inventories</b>	<b>(70,197,081.86)</b>	<b>231,522,425.96</b>

**Note 22 Employee Benefits Expenses**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Salaries And Wages	21,044,913.98	17,209,995.39
Labour Welfare	542,385.00	874,305.00
E.S.I	380,381.00	340,395.00
Director Remuneration	4,500,000.00	3,600,000.00
Provident Fund	1,334,538.00	1,134,679.00
Gratuity	302,518.00	935,642.00
<b>Total</b>	<b>28,104,735.98</b>	<b>24,095,016.39</b>

**Note 23 Finance Cost**

<u>Particulars</u>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Interest On Term Loan	105,785,687.68	18,827,970.00
Bank Charges and Interest	107,365,657.70	180,786,230.53
<b>Total</b>	<b>213,151,345.38</b>	<b>199,614,200.53</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
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**Note 24 Other Expenses**

<u>Particulars</u>	As at 31 March 2016	As at 31 March 2015
<b>A . Manufacturing Expenses</b>		
Electricity & Water Charges	7,951,645.00	7,627,761.00
Power & Fuel	7,350,228.35	4,122,837.60
Freight and Cartage	19,799,257.25	9,824,962.13
Repair and Maintenance		
Building	3,990.00	1,213,415.50
Plant and Machinery	2,093,251.14	1,699,160.10
Job Work	17,751,601.00	173,386.00
Wages	2,242,176.00	2,397,806.00
<b>Total - A</b>	<b>57,192,148.74</b>	<b>27,059,328.33</b>
<b>B . Administration Expenses</b>		
Printing & Stationery	430,879.50	370,417.24
Postage And Telegram	272,101.00	260,759.00
Telephone & Photostate	331,689.13	141,806.00
Vehicle Running And Maintenance	1,261,941.92	5,772,085.14
Travelling And Conveyance	1,060,533.00	1,051,593.00
Insurance Charges	806,514.80	963,158.91
Service Tax	1,283,532.00	1,191,512.00
Fees and Taxes	4,528,215.03	3,564,203.61
Listing Fee/ Annual custody fee	422,516.00	113,490.00
Audit Fee	225,000.00	220,000.00
Consultancy charges	2,504,910.00	2,396,620.87
Legal And Professional	1,580,809.00	542,659.00
General Expenses	177,397.25	549,035.27
Web Site Charges & internet exp	26,280.00	55,970.00
Tender Expenses	25,000.00	108,797.00
Packing charges	117,475.00	9,285.95
Written Off	(3,033.57)	50,744.08
Membership & subscriptions	6,655.00	
Tools and Dies Written off	56,726.00	
<b>Total - B</b>	<b>15,115,141.06</b>	<b>17,362,137.07</b>
<b>C. Selling and Distribution Expenses</b>		
Freight & Cartage Out wards	8,389,757.93	20,632,488.95
Advertising & Publicity	384,879.60	355,630.40
Testing Charges	1,283,534.00	491,904.00
Business Promotion	380,155.23	248,476.00
Discount & Rebate	748,994.65	4,307,088.81
<b>Total- C</b>	<b>11,187,321.41</b>	<b>26,035,588.16</b>
<b>Total A + B + C</b>	<b>83,494,611.21</b>	<b>70,457,053.56</b>
<b>Payments to the auditor as **</b>		
a. auditor ( Statutory )	129,214.00	129,214.00
b. for taxation matters	56,180.00	56,180.00
c. for other services( Such as issue of Limited Audit Review,Corporate governance report etc.	14,606.00	14,606.00
<b>Total</b>	<b>200,000.00</b>	<b>200,000.00</b>

**Note 10 Fixed Assets**

	Particulars	Gross Block			Accumulated Depreciation				Net Block	
		Balance as at 1 April 2015	Additions/ (Disposals) Subsidy	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation	Balance as at 31 March 2016	Transfer To Reserve and Surpluses	Balance as at 31 March 2016	Balance as at 31 March 2015
a	Tangible Assets (Not Under Lease)									
	Land	123317069	32347614	155664683	0		0		155664683.00	123317069
	Building	169068794.2	0	169068794.2	63597410.46	10817955	74415365.46	137643	94515785.78	106990644.9
	Plant & Machinery	883469392.7	500000	883969392.7	283669243.2	72238395.96	355907639.1	938035	527123718.54	598661585.5
	Furniture&Fixture & Other Equipment	4244729.6	0	4244729.6	3023230.81	198407	3221637.81	356355	666736.79	630524.79
	Vehicle	30131372.87	0	30131372.87	23561713.15	952445	24514158.15	4519616	1097598.72	3514924.72
	<b>Total (i)</b>	<b>1210231358</b>		<b>1243078972</b>	<b>373851597.6</b>	<b>84207202.96</b>	<b>458058800.6</b>	<b>5951649</b>	<b>779068522.83</b>	<b>833114748.90</b>
	Previous Year	1154195953	56035405.8	1210231358	277339855.6	96511742	373851597.6	3265011.89	833114748.9	876856097
	Tangible Assets (Under Lease)	0	0	0	0					0
	<b>Total (ii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				<b>0</b>
	<b>Total (i+ii)</b>	<b>1154195953</b>	<b>56035405.8</b>	<b>1210231358</b>	<b>277339855.6</b>	<b>51709814.33</b>				<b>876856097</b>
b	Capital Work In Progress	0	0	0	0	0			9160519	9166055
	Total	0	0	0	0	0			9160519	9166055
	Total	0	0	0	0	0			9160519.00	18332110
	<b>Total (i+ii)</b>	<b>1154195953</b>	<b>56035405.8</b>	<b>1210231358</b>	<b>277339855.6</b>	<b>51709814.33</b>			<b>890342207.5</b>	<b>886022152</b>



## STURDY INDUSTRIES LIMITED

### NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT 31st MARCH, 2016

#### **Note No. 25 : SIGNIFICANT ACCOUNTING POLICIES**

##### **i Basis of Preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles in India ("GAAP"), applicable Accounting Standards issued by The Institute of Chartered Accountants of India and under the historical cost convention, on accrual basis.

##### **ii Revenue Recognition :**

Revenue is being recognized in accordance with the Guidance Note on Accrual Basis of Accounting issued by The Institute of Chartered Accountants of India. Accordingly, wherever there are uncertainties in the realization of income same is not accounted for till such time the uncertainty is resolved.

##### **iii Treatment of Expenses :**

All expenses are accounted for on accrual basis.

##### **iv Fixed Assets:**

Fixed Assets are stated at historical cost, less depreciation. Costs of fixed assets include taxes, duties, freight and other expense incidental and related there to the construction, acquisition, and installation of respective assets.

##### **v Inventories :**

- a. Stock of raw material and consumables are carried at cost (computed on first-in-first-out basis) or Net Realizable Value, whichever is lower.
- b. Stock of work-in-progress is value at cost upto the level of processed and includes cost of material consumed, labour and manufacturing overhead. However, there was no stock-in-progress at end the financial year.
- c. Finished goods are value at cost of manufacturing (computed on first-in-first-out basis) or net realizable value, whichever is lower.

##### **vi Depreciation / Amortization :**

Depreciation on fixed assets has been provided on WDV method on prorata basis over the useful life prescribed in schedule II to the Companies Act, 2013 after considering salvage value of five percent of original cost. The Company has considered useful life of assets same as prescribed under the Companies Act, 2013.

##### **vii Taxes on Income :**

- a. Since the company has incurred cash losses during the Financial Year. No provision for Income tax has been made.
- b. Deferred tax has been recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

**viii Earning Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**ix Employees Benefits :**

**i. Provident Fund and Employee State Insurance**

The Company's Contribution to the recognized Provident Fund and Employees State Insurance (Defined Contribution Scheme), paid/payable during the year, is debited to the Profit and Loss Account.

**ii. Gratuity Fund**

Accrued liabilities on account of Gratuity (Defined Benefit Scheme) is provided for the employees', based on their last drawn salary, completed years of services, instead of ascertaining actuarial impact.

**x Transaction in Foreign Currency :**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Profit or loss resultant due to fluctuation in currency rate are recognized as income or expense in profit and loss account.

**xi. Investments :**

Long term investments are carried at cost. However, provision is made for diminution in value (if any), other than temporary, on an individual basis.

**xii. Borrowing Cost :**

Interest and other borrowing costs on specific borrowings, attributable to qualifying assets, are capitalized. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are charged to revenue over the tenure of the loan.

**xiii. Accounting for Provisions, Contingent Liabilities and Contingent Assets :**

Provisions are recognized in terms of Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets (AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.

**xiv Research and Development**

No Expenses have been incurred on Research and Development

## xv Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment of company's assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

## xvi Use of Estimates

The preparation of Financial Statements are in conformity with the generally accepted accounting principles requires management to make estimates and assumption in respect of certain items that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual result/outcome could differ from estimates. Any revision in accounting estimates is recognised prospectively in the period in which such results are materialised.

## 26 NOTES TO THE ACCOUNTS

1. Previous year figures have been re-arranged, reworked, reclassified or re-grouped wherever necessary to make them comparable with the current year's figures and others disclosure for the proceeding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and others disclosures relating to the current year.

2. The company provides for gratuity in accordance with the payments of Gratuity Act,1972,a defined retirement plan (the plan) covering all employee.

3. Contingent Liability not provided for in respects of :

**Rs in (Lacs)**

	<b>Current Year</b>	<b>Previous Year</b>
(a) Outstanding balance of Bank Guarantees	Rs 7168.00	Rs 6210.76
(b) Corporate Guarantee	Rs 3040.00	*Rs 4440.00
c) Outstanding balance of ILC/FLC	Rs 3657.00	** Rs 1879.00

**\* Corporate Guarantee issued in favor of Tirupati Aluminium Limited**

**\*\*Outstanding FLC includes Buyer Credit Against Term Loan**

Balance of Unsecured Loans Current Liabilities, Current Assets, Loans and Advances are subjects to confirmation and reconciliation from the respective parties. However the management does not expect any material difference affecting the financial statement for the year.

4. In opinion of the Board of Directors, the Current Assets. Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

5. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for net of advances Rs 91.97 Lacs(Previous Year Rs 91.60 Lacs)

6. **Payments to Auditors.**

	<b>Current Year</b>	<b>Previous Year</b>
a) Statutory Audit Fee	129214.00	129214.00
b) Tax Audit Fee	56180.00	56180.00
c) Other Services	14606.00	14606.00

7. During the year, the Company has accounted for Deferred Tax Liability/assets in accordance with the Accounting Standard-22 "**Accounting for Taxes on Income**" issued by the Council of the Institute of Chartered Accountants of India.

Deferred Tax Liability/(Assets)	31 <sup>st</sup> March,2016	31 <sup>st</sup> March,2015
<b>Tax effect of items constituting deferred tax Liabilities</b>		
On difference between book balance and tax balance of fixed assets	25392872.22	2159713.28
<b>Tax effect of items constituting deferred tax Liabilities</b>		
Unabsorbed Depreciation	-83949744.49	-55344818.16
Net Deferred Tax Liability/(Assets)	-58556872.27	-53188238.38

8. **Segment Reporting**

**Primary Segment**

Based on the guiding principle given in the Accounting Standard-17 "Segment Reporting" issued by the institute of Chartered Accountants of India, The Company's primary segment are Pipes & Fitting, Irrigation System, ACC & ACP Sheets and Trading in Polymers & Aluminum Etc.

The above business segment have been identified considering:

- I. The Nature of the products
- II. The related risks and returns.
- III. The internal financial reporting systems

Description	<b>(Manufacturing) Plastic Pipes &amp; Irrigations</b>	<b>(Manufacturing) Aluminum Division</b>	Trading	Others	Total
-------------	--	--	---------	--------	-------

**A. Primary Segment Information**

Segments Revenue

Sales	7712.22	19822.05	3322.69	525.09	31382.07
Total Revenue	7712.22	19822.05	3322.69	525.09	31382.07

Segments Result

Interest					2131.50
Profit/(Loss) before Tax					(1663.85)

Provision For Current Tax

--

Profit/(Loss) after Tax					(1663.85)
Segments Assets					34627.57
Segments Liabilities					34627.57
Capital Expenditure				--	
Depreciation	12.43	740.01	--	89.64	842.08

## B. Secondary Segment

The Company caters mainly to the needs of Northern Markets

### 10. Related Party Disclosure

Disclosure as required by the Accounting Standards 18 " Related Disclosure" are given below:

a) List of Related Parties:

Associated Companies

S.No	Name of the Related Party	Address	Relationship
1.	Chemiplast Industries	55-57, Industrial Area, Sector-1, Parwanoo	Associate Concern
2.	Tirupati Aluminium Limited	Village Judi Kalan , Baddi (H.P).	Associate Company

Key management personnel and Relative:

1 Sh. M.L Gupta 2. Sh. Ramesh Gupta 3. Sh. Amit Gupta

### b) Transaction with related parties

Sr No	Particulars	31 <sup>st</sup> March ,2016	31 <sup>st</sup> March ,2015
1.	<b>Chemiplast Industries</b>		
	Goods Purchases	45703695	44800235
	Goods Sold	34557547	43318402
	Payments Received as Sundry Debtors	144184417	28740232
	Payments Made against Goods Supplied	150924640	34168803
2.	<b>Tirupati Aluminium Limited</b>		
	Goods Purchases	1145583234	2537878115
	Goods Sold	449934240	1099670119
	Payments Received as Sundry Debtors	108473635	562813700
	Payments Made against Goods Supplied	571517840	2036724124
3	Shri M.L Gupta ( Director's Remuneration )	15,00,000	12,00,000
	Shri Ramesh Gupta ( Director's Remuneration )	15,00,000	12,00,000
	Shri Amit Gupta ( Director's Remuneration )	15,00,000	12,00,000

### 11 : PAYMENTS TO DIRECTORS

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>Salaries and Allowances</b>		
Shri M.L Gupta	15,00,000	12,00,000
Shri Ramesh Gupta	15,00,000	12,00,000
Shri Amit Gupta	15,00,000	12,00,000

<b>12.Expenditure in Foreign Currency</b>	<b>Current Year</b>	<b>Previous Year</b>
Capital Assets	--	\$ 5678215.00
Aluminum, Granules Etc	--	--
Others	--	--
<b>13. Earning in Foreign Exchange</b>	<b>\$ 488280.76</b>	<b>\$ 923794.00</b>
<b>14. Non Resident Holders Etc,</b>		
a) No of non resident shareholders	Nil	Nil
b) No of Share held by them	Nil	Nil

### **15.Earning Per Share**

In determining earning per share , the company considers the net profit after tax for the year attributable to equity shareholders. The Numbers of share is the weighted average number of share outstanding during the year. The numbers of share used in computing diluted earning per share comprise the weighted average per share considered for deriving basic earning per share, & also the weighted average numbers of share which could have been issued on the conversion of dilutive potential share, Disclosures as required by AS(20) is given as under:-

S.No	Particulars	Year Ended 31/03/2016	Year Ended 31/03/2015
A)	Net Profit After Tax	(166384783.49)	(25388509.18)
B)	Weighted Average number of equity share for basic EPS(Nos)	64308960	64308960
C)	Face value per Share	2	2
D)	Basic EPS (Rs)	--	--
E)	Diluted EPS (Rs)	---	--

### **16. Disclosure as required under Accounting Standard-19"Accounting for Lease " as Prescribed under Companies (Accounting Standards) Rule 2006:**

The Company has not entered into any fresh operating leasing agreement during the year Current Financial Year.

### **17.Disclosure under Micro, Small, and Medium Enterprises Development Act,2006**

The management of the Company has shown its inability to identify the creditors which micro and small enterprises. So due to the known availability to relevant information and by accepting this representation of the management it is impracticable to provide the requisite information.

**18.Expenditure on employee in receipt** of remuneration of not less than Rs. 60,00,000/- per annum, if employed through out the year or 5,00,000/- per month Nil when employed for the part of the year.

**19.** During the year company has received Capital Subsidy of Rs 140320049.00 from Assam Govt which has been disclosed shown in balance Sheet under the head Reserve and Surpluses.

20. During the Year the company has created revaluation reserve amounting to Rs 32347614.00 against land Situated at Assam and Parwanoo.

**for B.M.VARMA AND CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No 001099N**

**PLACE: Chandigarh  
DATED: 30/05 /2016**

**Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009**

<b>STURDY INDUSTRIES LIMITED</b>		
<b>CASH FLOW STATEMENT</b>		
	<b>For the year</b>	<b>For the year</b>
	<b>Ended 31.03.2016</b>	<b>Ended 31.03.2015</b>
	<b>(Rs. In Lacs )</b>	<b>(Rs. In Lacs )</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	-1663.85	-2593.39
Adjustment for Depreciation	842.08	965.12
Misc. Exp. W/off	0.01	0.01
Intt. Expenses	2131.52	1996.14
Intt. Received	0.00	0.00
Operating Profit before Working Capital	<b>1309.76</b>	<b>367.88</b>
Changes		
Adjustment for		
Trade & Other Receivables	1013.19	-1985.75
Inventories	-541.95	1092.98
Change in Others Current Assests	180.89	145.88
	<b>652.13</b>	<b>-746.89</b>
Trade Payable	18.66	358.32
Other liabilities & Provisions	430.45	3.69
Change in Bank Finance	11.63	-6758.62
	<b>460.74</b>	<b>-6396.61</b>
Cash flow before extra ordinary items	<b>2422.63</b>	<b>-6775.62</b>
Income Tax for the Current Year	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>2422.63</b>	<b>-6775.62</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-5.00	-560.35
Refund of Loan/Deposits	-883.67	-4.31
Intt. Received	0.00	0.00
Purchase / Sale of Intangible Assets	0.00	0.00
Change in Current Assesst	0.00	0.00
Net Cash from Investing Activities	<b>-888.67</b>	<b>-564.66</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Intt. Expenses	-2131.52	-1996.14
Increase in Long Term Borrowings	-974.45	8817.19
Increase in Bank Borrowings for	0.00	0.00
Working Capital	0.00	0.00
Adjustment for General Reserve	1370.20	0.00
Share Premium	0.00	0.00
Share Application Money	0.00	0.00
Issue of Share Capital	0.00	0.00
Repayment of Loans/Securities	1.13	7.14
Misc. Expenditure	0.00	0.00
Net Cash Flow from Financing Activity	<b>-1734.64</b>	<b>6828.19</b>
Net Increase in Cash & Cash Equivalents	<b>-200.68</b>	<b>-512.09</b>
Cash and Cash Equivalents		
(Opening Balance)	886.02	1398.11
Cash and Cash Equivalents		
(Closing Balance)	<b>685.34</b>	<b>886.02</b>
Cash Equivalents consist of Cash/Cheques in hand and balance with banks including fixed Depositing Accounts.		
of even date annexed hereto	on behalf of the Board of Directors	
for B.M.VARMA AND CO.	for <b>STURDY INDUSTRIES LTD.</b>	
<b>CHARTERED ACCOUNTANTS,</b>		
<b>Firm Registration No 001099N</b>		
	sd/-	sd/-
sd/-	<b>(RAMESH GUPTA)</b>	<b>(AMIT GUPTA)</b>
<b>CA Gurdev Bassi</b>	<b>WHOLE TIME</b>	<b>WHOLE TIME</b>
	<b>DIRECTOR</b>	<b>DIRECTOR</b>
<b>PARTNER</b>	<b>DIN-0161363</b>	
<b>Membership No 092009</b>		
<b>Dated : 30/05/2016</b>	sd/-	
<b>Place : CHANDIGARH</b>	<b>KHEM CHAND</b>	
	<b>CFO</b>	



# STURDY INDUSTRIES LIMITED

Regd.Office: 21 Industrial Area Parwanoo,Baddi, Himachal Pradesh

CIN:L25209HP1989PLC009557, Email :- [legalsturdy@gmail.com](mailto:legalsturdy@gmail.com), Telephone no: 01792-232570, 232863,

Fax no.: 01792-232770

## Form MGT 11 PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013)

Name of the member(s)

: \_\_\_\_\_

Registered Address :

\_\_\_\_\_

E-mail Id :

\_\_\_\_\_

Folio No./Client Id :

\_\_\_\_\_

DP ID :

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or  
failing him

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or  
failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Saturday, the 20th day of August, 2016 at 09.30 am at 21, Industrial Area, Baddi, Himachal Pradesh and at any adjournment thereof in respect of such resolutions as indicated below: -

### Ordinary Business:

1. To receive, consider and adopt the Standalone Balance Sheet as at 31<sup>st</sup> March, 2016, Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2016 for and reports of Board of Directors and Auditors thereon..
2. To appoint a Director in place of Sh. Amit Gupta (DIN [00161417](#)), Whole Time Director of the Company who retires by rotation and being eligible offers himself for the re-appointment.
3. To appoint statutory auditors of the company and fix their remuneration

### Special Business:

4. Ratification of Remuneration to Cost Auditor
5. To receive, consider and adopt the strategic debt restructuring scheme in relation to the company debt
6. To issue equity shares to the lenders pursuant to the invocation of strategic debt restructuring scheme (sdr).
7. To increase in authorised share capital

# STURDY INDUSTRIES LIMITED

Regd. Office: 21 Industrial Area Parwanoo, Baddi, Himachal Pradesh

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Fax no.: 01792-232770

8. Issuance Of Equity Shares On Preferential Basis Upon Conversion Of Debt Into Equity

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_

\_\_\_\_\_

Signature of shareholder

Signature of Proxy holder (s) Note:

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered**

**Office of the Company, not less than 48 hours before the commencement of the Meeting.**

Affix  
revenue  
stamp

# STURDY INDUSTRIES LIMITED

Regd. Office: 21 Industrial Area Parwanoo, Baddi, Himachal Pradesh

CIN: L25209HP1989PLC009557, Email :- [legalsturdy@gmail.com](mailto:legalsturdy@gmail.com), Telephone no: 01792-232570, 232863,

Fax no.: 01792-232770

## ATTENDANCE SLIP

(To be presented at the entrance)

**Sturdy Industries Ltd.**

Folio No.: \_\_\_\_\_ DP ID No.: \_\_\_\_\_ Client ID

No.: \_\_\_\_\_ No. of Share \_\_\_\_\_

Name of the Member

\_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxy

holder \_\_\_\_\_ Signature \_\_\_\_\_

I, hereby record my presence at the 27th ANNUAL GENERAL MEETING at **21, Industrial Area, Baddi, Himachal Pradesh** on **Saturday, the 20th day of August, 2016 at 09.30 A.M.**

\_\_\_\_\_  
(Signature of Member/Proxy)