

# STURDY INDUSTRIES LIMITED

## 30<sup>th</sup> ANNUAL REPORT

### 2018-19



DRIP IRRIGATION



ALUMINIUM CONDUCTOR



**STURDY INDUSTRIES LIMITED- BOARD AND ITS COMMITTEES**

<p><b><u>THE BOARD OF DIRECTORS</u></b></p> <p>Mr. Mohan Lal Gupta, Managing Director</p> <p>Mr. Ramesh Gupta, Whole Time Director</p> <p>Mr. Amit Gupta, Whole Time Director</p> <p>Mr. Shamsheer Kumar Sharma, Independent Director</p> <p>Ms. Pushpa Devi, Independent Director</p> <p>Ms. Puja Independent Director</p>	<p><b><u>STATUTORY AUDITOR</u></b></p> <p>M/s K Singh &amp; Associates, Chartered Accountants Firm Registration No.:012458N Chandigarh</p>
<p><b><u>COMPANY SECRETARY</u></b></p> <p>Mr. Gurwinder Singh</p>	<p><b><u>SECRETARIAL AUDITORS</u></b></p> <p>M/s Himashu Sharma &amp; Associates; Company Secretaries CP No. 11553 New Delhi</p>
<p><b><u>REGISTRAR AND TRANSFER AGENT</u></b></p> <p>Skyline Financial Service Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi-110020 Email: <a href="mailto:viren@skylinerta.com">viren@skylinerta.com</a> Ph No. 011-26812682</p>	<p><b><u>BANKERS</u></b></p> <p>Punjab National Bank Allahabad Bank</p>
<p><b><u>REGISTERED OFFICE</u></b></p> <p>21, Industrial Area, Baddi, Distt-Solan, H.P. -173205 <b>Website:</b> <a href="http://www.sturdyindustries.com">www.sturdyindustries.com</a></p>	<p><b><u>STOCK EXCHANGE</u></b></p> <p>Bombay Stock Exchange Limited</p>
<p><b>Email Id:</b> <a href="mailto:legalsturdy@gmail.com">legalsturdy@gmail.com</a></p>	<p><b>Scrip Code:</b> 530611 <b>ISIN :</b> INE134F01026</p>



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**NOTICE**

Notice is hereby given that 30<sup>th</sup> Annual General Meeting of the shareholders of the **Sturdy Industries Limited** will be held on **SATURDAY, 28<sup>TH</sup> DAY OF SEPTEMBER 2019 AT 09.30 A.M.** at the registered office of the company at **21, INDUSTRIAL AREA, PARWANOO, BADDI, HIMACHAL PRADESH-173205** to transact the following business:

**ORDINARY BUSINESS:**

To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Reports of the Board of Directors and the Auditors thereon.

1. To re-appoint Mr. Ramesh Gupta (DIN 00161363), Whole Time Director of the company who retires by rotation and being eligible, offers himself for the re-appointment.

**SPECIAL BUSINESS:**

2. **To regularize the appointment of Ms. PUSHPA DEVI , as the Independent Director of the company:**

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 sections 161(1), 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Ms. Pushpa Devi(DIN 08238587) who was appointed as Additional Director on 03.10.2018, be and is hereby appointed as an Independent Director and Non-Executive Director of the Company with effect from 29<sup>th</sup> September 2019 to 28<sup>th</sup> September, 2024.”

3. **To Ratify the Remuneration of 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) and as recommended by the Board of Directors, the remuneration payable during the year 2019 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 2019-20, at a remuneration amounting to Rs. 60000/- (Rupees Sixty Thousand) as also the payment of 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.”

**4. To approve the terms and conditions of re-appointment of Sh. Mohan Lal Gupta, Managing Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, Mr. Mohan Lal Gupta be and is hereby re-appointed as Managing Director of the company for a period of three years with effect from 1<sup>st</sup> October, 2019 at a consolidated Remuneration of Rs. 2,00,000/- per month plus other allowances and on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and/ or remuneration in such manner as may be agreed to by and between the Company and Mr. Mohan Lal Gupta provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

**RESOLVED FURTHER THAT** any of the Director (s) of the company, be and are hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or as desirable to give effect to this resolution.”

**5. To approve the terms and conditions of re-appointment of Sh. Ramesh Gupta, Whole Time Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, Mr. Ramesh Gupta be and is hereby re-appointed as Whole Time Director of the company for a period of three years with effect from 1<sup>st</sup> October, 2019 at a consolidated Remuneration of Rs. 2,00,000/- per month plus other allowances and on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and/ or remuneration in such manner as may be agreed to

by and between the Company and Mr. Ramesh Gupta provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

**RESOLVED FURTHER THAT** any of the Director (s) of the company, be and are hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or as desirable to give effect to this resolution.”

**6. To approve the terms and conditions of re-appointment of Sh. Amit Gupta, Whole Time Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, Mr. Amit Gupta be and is hereby re-appointed as Whole Time Director of the company for a period of three years with effect from 1<sup>st</sup> October,2019 at a consolidated Remuneration of Rs. 2,00,000/- per month plus other allowances and on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and/ or remuneration in such manner as may be agreed to by and between the Company and Mr. Amit Gupta provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

**RESOLVED FURTHER THAT** any of the Director (s) of the company, be and are hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or as desirable to give effect to this resolution.”

**8. TO CONSIDER INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an 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. 35,50,00,000/- (Rupees Thirty Five Crore Fifty Lakh Only) consisting of 16,75,00,000 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) to Rs150,10,00,000/- (Rupees One Hundred Fifty Crore Ten Lakh Only) consisting of 16,75,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each , 2,00,000 (Two Lacs only)

Redeemable Preference share of Rs.100/- (Rupees Hundred Only) and 1,14,60,000(One Crore Fourteen Lakh Sixty Thousand) 0.01% Redeemable Preference share of Rs. 100/- (Rupees Hundred Only), by creation of additional 1,14,60,000(One Crore Fourteen Lakh Sixty Thousand) 0.01% Redeemable Preference share of Rs. 100/- each.

"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 150,10,00,000/- (Rupees One Hundred Fifty Crore Ten Lakh Only) consisting of 16,75,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each , 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only) and 1,14,60,000(One Crore Fourteen Lakh Sixty Thousand) 0.01% 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 150,10,00,000/- (Rupees One Hundred Fifty Crore Ten Lakh Only) consisting of 16,75,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each , 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only) and 1,14,60,000(One Crore Fourteen Lakh Sixty Thousand) 0.01% 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."

**9. To Issue 0.01 % Non-Convertible Redeemable Preference share of Rs. 114.60Crore to Banker by Converting Unsustainable Debt**

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 Sections 42, 55, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable Rules thereunder, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to and in accordance with any other applicable Law or Regulation, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, as amended (the “SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the uniform listing agreements entered into with the respective Stock Exchanges where the shares of the Company are listed (the “Stock Exchange(s)”), and in accordance with the Rules, Regulations, Guidelines, Notifications, Circulars and Clarifications issued thereon from time to time by the Government of India the Reserve Bank of India (the “RBI”), the Securities and Exchange Board of India (the “SEBI”), the Ministry of Corporate Affairs the Stock Exchange(s), and / or any other competent regulatory authorities, and subject to any required approvals, consents, permissions and / or sanctions and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include any Committee which the Board has constituted or may hereinafter constitute to exercise any of its powers including the power conferred by this resolution), the consent, authority and approval of the Company be and is here by accorded to the Board to create, issue, offer and allot on preferential basis 1,14,60,000 (One Crore Fourteen Lakh Sixty Thousand) 0.01% Non-Convertible Redeemable Preference Shares (“NCRPS”) of face value of Rs. 100/- (Rupees Hundred only) per NCRPS in one or more tenches, by converting unsustainable debt at an issue price of Rs. 100/- (Rupees One Hundred only) (as determined by the Board in accordance with the pricing guidelines prescribed under SEBI ICDR Regulations) (the “Issue Price”) to the Punjab National Bank and Allahabad Bank (a non-promoter company) (the “Proposed Allottee”) for an amount not exceeding Rs. 114,60,00,000/- (Rupees One Hundred Fourteen Crore Sixty Lakh only) (the “Preferential Issue”), by converting unsustainable debt at the option of the Proposed Allottee, in such manner and on such terms and conditions, as may be deemed appropriate by the Board at its absolute discretion but subject to applicable Laws and Regulations.

<b>Name of the Lenders</b>	<b>Loan amount</b>	<b>No of shares to be allotted</b>
Punjab National Bank	Rs. 110,92,00,000/-	1,10,92,000
Allahabad Bank	Rs. 3,68,00,000/-	3,68,000
	<b>Total Rs. 114,60,00,000</b>	



RESOLVED FURTHER THAT the terms and conditions on which the NCRPS shall be issued and allotted shall include the following terms and conditions:

- (a) The NCRPS shall be allotted in dematerialized form and the Equity Shares arising on conversion shall also be allotted in dematerialized form
- (b) The NCRPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- (c) The NCRPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;
- (d) The NCRPS shall have a voting right as per the provisions of Section 47 of the Companies Act, 2013.
- (e) The NCRPS shall be Non-convertible
- (f) The NCRPS shall be redeemable in 5 years from F.Y 2030 TO F.Y 2034.
- (g) The NCRPS issued at coupon rate @0.01% p.a.
- (h) The NCRPS shall bear a cumulative dividend equal to 0.01% per annum payable on a yearly basis. The dividend will be calculated on pro-rata basis i.e. from the date of allotment of such NCRPS.

RESOLVED FURTHER THAT in pursuance of the above, the NCRPS to be issued, offered and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the 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."

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Mr. Mohan Lal Gupta, Managing Director or Mr. Ramesh Kumar Gupta or Mr. Amit Gupta, Whole Time Director, be and is/are hereby singly and severally authorized to take all actions and do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient, including appointment of any institution / bank or any other body or person, to issue and/or allot aforesaid NCRPS, to execute any documents and/or agreements as maybe required in this regard, to do acts and deeds which may be deemed necessary to implement the object of the above issuance of NCRPS, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/or such other authorities as may be necessary for the purpose and to resolve and settle all questions and difficulties that may arise in the proposed Preferential Issue offer and allotment of the said NCRPS, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may be exercised by the Board or committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to

exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board hereby delegates (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any director(s) or executive(s)/officer(s) of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary to give effect to the aforesaid resolutions.”

**10. TO CONSIDER EXTENSION OF REDEMPTION OF PERIOD OF CUMULATIVE REDEEMABLE PREFERENCE SHARES ALONGWITH VARIATION OF ITS TERMS AND CONDITIONS.**

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

"RESOLVED THAT pursuant to the provisions of Sections 48 and 55 of Companies Act, 2013 (which corresponds to section 80 and 106 of the Companies Act 1956) and applicable provisions, if any of the Companies Act,2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with Stock Exchanges where the shares or the company are listed and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the company (hereinafter referred to as the "board;" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board), not affecting the rights of any other class of shareholders, consent of the preference shareholders be and is hereby accorded for variation in the rights of 2,00,000 preference shareholders to the extent that the period of redemption of Redeemable Preference Shares of Rs. 100/- each fully paid up held by them, shall be extended for five years from due date of redemption as mentioned in the table below:

Name of the Preference Share holder	No. of Preference Shares	Date of Allotment	Original Due date for Redemption	Extended Date of Redemption
Usha Gupta	15,000	27.04.2004	28.04.2019	28.04.2024
Satya Bhama	65,000	27.04.2004	28.04.2019	28.04.2024
Ramesh Gupta	30,000	27.04.2004	28.04.2019	28.04.2024
Mohan Lal Gupta	15,000	27.04.2004	28.04.2019	28.04.2024
Anu Gupta	60,000	27.04.2004	28.04.2019	28.04.2024

Patriot Pipes Pvt. Ltd	15,000	27.04.2004	28.04.2019	28.04.2024
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**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the members of otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**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 of any other office(s)/Authorized Representative(s) of the Company to give effect to the aforesaid resolution.”

**By order of the Board**  
For **STURDY INDUSTRIES LTD**

PLACE: PARWANOO  
DATE: 03.09.2019

Sd/-  
**(RAMESH GUPTA)**  
**WHOLE TIME DIRECTOR**  
**DIN: 00161363**  
**Address: H.NO. 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 21<sup>st</sup> Day of September, 2019 to 28<sup>th</sup> Day of September, 2019 (both days inclusive)
2. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted 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).**

**The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of AGM. A Proxy Form is sent herewith.**

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 are requested to notify any change of email ID or address.
6. Members holding shares in physical mode are requested to register their email IDs with the Registrar & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their email ID's with their respective DP, in case the same is still not registered. Members are also requested to notify any change in their email ID or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. Notice alongwith demat form is also attached herewith.
7. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 2018-19 is being sent in the permitted mode.

In case, any member wants to get a physical copy of the Annual Report, they may send their request to [legalsturdy@gmail.com](mailto:legalsturdy@gmail.com) mentioning folio/DP ID and Client ID. Annual Reports is also available in the on the website of the company at <http://www.sturdyindustries.com/financial.php>

8. Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for 2018-19 will also be available on the website of the Company at <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 further communication or clarification, the shareholders may also write to the Company's email id at [legalsturdy@gmail.com](mailto:legalsturdy@gmail.com)

9. The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are furnished as under:-

S. No.	Particulars	Name of the Director	
		Sh. Ramesh Gupta	Ms. Pushpa Devi
1.	Date of Birth	14.09.1961	17.08.1992
2.	Date of Appointment	27.07.1989	03.10.2018
3.	Qualifications	Graduate	Graduate
4.	List of other Indian Companies in which Directorship held	NIL	NIL
5.	Chairman/Member of the Committee of Board of other Companies	NIL	NIL
6.	Equity Shares held in the Company	65,29,701	NIL

10. 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 provide 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.
11. As per the provisions of Secretarial Standards for General Meeting it is clearly specified that any Member cannot vote both by post and e-voting and if he/she votes both by post and e-voting, his vote by post shall be treated as invalid.

**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:

Particulars	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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> ** Enter your Sequence number mentioned in address Label affixed on Annual Report.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demataccount or folio in DD/MM/YYYY format.
Dividend Bank Detail	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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 will start on Wednesday, 26<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Friday, 28<sup>th</sup> September, 2019 at 5:00 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 Saturday, 21<sup>st</sup> September, 2019, 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. 3**

The Board of Directors of the Company has appointed Ms. Pushpa Devias Additional Director of the Company in its Board Meeting held on 03.10.2019 and she holds office of the Director till the conclusion of this Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Ms. Pushpa Devi as an Independent Director of the Company.

Brief profile of Ms. Pushpa Devi as given in note 9 of the Notes of this notice

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no.4 for the approval of the members.

**ITEM NO. 4**

The members are informed that the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and fixed the remunerations of M/s Balwinder & Associates, Cost Accountants having firm Registration No. 000201, for conducting the audit of cost records of the Company for the financial year ended March 31, 2020. Further, in terms of the provisions of Section 148(3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee/Board of Directors is proposed to be ratified by the Members of the Company.

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. 6 of the Notice for approval by the Members.

### **ITEM NO. 5, 6 & 7**

Mr. Mohan Lal Gupta is a post graduate and well seasoned businessman. He is one of the core promoters of the company and since decades, he has been looking after marketing related operations of the company. He has very vast experience to his credit in managing all operations of the industry since last more than 30years.

Mr. Ramesh Gupta is commerce graduate and well versed with the commercial operations and practices. He is one of the core promoters of the company. Mr. Ramesh Gupta has been looking after the corporate administration, image & brand building, financial administration and public relations. He has an extensive background and experience in Finance, Banking, International Business Relations and infrastructure development related activities of the company. He has experience in the aforesaid fields for more than 20 years. He is widely travelled person.

Mr. Amit Gupta is M. Tech & MBA and also young entrepreneur. He belongs to the core promoters' group of the company. Mr. Amit Gupta is responsible for Purchasing and Domestic Marketing. He has more than 10 years experience in operation and maintenance activities of plants. He has rich experience of materials and cost management spread over a period of more than 10 years. He usually remains in travel for looking after the operational management of distantly located plants.

Further, the terms and conditions of appointment of Managing Director and Whole Time Directors has also been approved by the remuneration committee. Thus, in accordance thereof, it is proposed that the resolution mentioned under serial no. 7,8 & 9 in the notice be passed as special resolutions.

None of the Director of the Company, except Mr. Mohan Lal Gupta, Mr. Ramesh Gupta, and Mr. Amit Gupta, is in any way concerned or interested in this resolution.

**The particulars required to be disclosed in the Explanatory Statement in accordance with provisions of clause (B) of Section II of part II of Schedule V of the Companies Act, 2013, are given below:-**

#### **I. GENERAL INFORMATION**

##### **1) Nature of Industry:**

Engaged in manufacturing & supplying AAC, AAAC & ACSR Conductors, ABC Cables, Aluminium Composite Panels with brand SUNBOND, Sprinkler & Drip Irrigation Systems, HDPE & PVC Pipes, Permanent Lubricant HDPE Ducts and Plastic Water Storage Tanks as per BIS Standards or as customer requirements. We are having state-of-the-art plant and machineries manufacturing facilities for the above items at various locations for manufacturing standard products for multiple applications in the field of transmission & distribution, building & irrigation.

- 2) Date or expected date of commencement of commercial production:  
Already in commercial operations since last more than 20 years
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- 4) Financial Performance based on given indicators:

<b>Financial Year Ended</b>	<b>2018-19 (Rs. In Cr.)</b>	<b>2017-18 (Rs. In Cr.)</b>
Revenue from Operations	185.24	210.06
Total Income	195.46	232.18
Total Expenditure	199.46	257.28
Profit/(Loss) of the Period before tax	-3.99	-25.10

- 5) Foreign Investments or collaborators, if any: NA

## II. INFORMATION ABOUT THE APPOINTEES:

- 1) As described in the explanatory statement herein above.
- 2) Past Remuneration

<b>Sr. No.</b>	<b>Name</b>	<b>Salary</b>
1	Mr. Mohan Lal Gupta	Rs. 24 Lac
2	Mr. Ramesh Gupta	Rs. 24 Lac
3	Mr. Amit Gupta	Rs. 24 Lac

- 3) Recognition or awards:  
Under the able guidance of the above appointees the company achieved various awards for star performer as an excellent exporter & BESI MSME Award as vendor from the Power Grid Corporate India Ltd.
- 4) Job Profile and his suitability:  
As described in the explanatory statement herein above.
- 5) Remuneration Proposed:  
Rs. 2,00,000/- p.m. each
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:  
The executive remuneration in the industry has increased manifold in the past few years. Further as per their rich experiences & capabilities in the same field the proposed

remuneration is well within the remuneration payable to Directorial personnel holding similar stature/position in the Industry.

- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

They all are the promoters of the company

### **III. OTHER INFORMATION**

- 1) Reasons for loss or inadequate profit

Increases in Raw Material price and impact of global recession cause the profitability of the company. High Debts cost also leading towards lower profitability.

- 2) Steps taken or proposed to be taken for improvement:

The Company is taking steps to control the high cost of production by enhancing the production capacity. The company is also taking appropriate steps for settling the Bank debts.

- 3) Expected increase in productivity and profits in measurable terms:

In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of substantial increase in revenue and profits in coming years.

### **IV. DISCLOSURES**

Since the promoters are directors of the company therefore they all are directly interested in the business affairs of the company.

### **ITEM NO. 8**

The members are informed that the lending Banks as per their Sanction and resolution plan wants to convert their unsustainable debt into redeemable preference and thus in order to comply with the terms and conditions as stipulated by the 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. 35,50,00,000/- (Rupees Thirty Five Crore Fifty Lac Only) which is not sufficient to accommodate the proposed allotment of shares to the lenders pursuant to the Resolution Plan. Thus, it has been recommended by your Board to increase the authorised share capital to Rs 150,10,00,000/- (Rupees One Hundred Fifty Crore Ten Lakh Only) consisting of 16,75,00,000 Equity Shares of Rs. 2/- (Rupees Two Only) each , 2,00,000 (Two Lacs only) Redeemable Preference share of Rs.100/- (Rupees Hundred Only) and 1,14,60,000(One Crore Fourteen Lakh Sixty Thousand) 0.01% Redeemable Preference share of Rs. 100/- (Rupees Hundred Only), by creation of additional 1,14,60,000(One Crore Fourteen Lakh Sixty Thousand) 0.01% Redeemable Preference share of Rs. 100/- 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. 9**

The Lenders i.e. Punjab National Bank(Lead Bank) and Allahabad Bank, (the “Proposed Allottee”) have proposed a resolution plan by which restructuring of existing exposure be done.As per the resolution plan the Unsustainable Debt of Rs. 114.60 Cr. (Rs. 110.92 Cr. Of Punjab National Bank and Rs. 3.68 Cr. Of Allahabad Bank) be converted into Non-Convertible Redeemable Preference Shares carrying coupon rate @ 0.01% p.a. and the same will be redeemable in 5 years starting from FY 2030 to FY 2034. Therefore, In order to meet the requirement of Sanctioned Resolution plan, it is proposed to issue 0.01% Non-Convertible Redeemable Preference Shares (NCRPS) of the Company to the Proposed Allottee on a private placement basis.

The proposed transaction with the Proposed Allottee is subject to fulfillment of conditions including receipt of shareholders approval. Furtherance to this, the Board of Directors believe that 0.01% Non-Convertible Redeemable Preference Shares (NCRPS)share would help in optimizing capital structure of the Companyincluding the debt: equity ratio. The provisions of the Companies Act, 2013 require the Company to seek approval of the members for issue of preference shareson private placement basis. The approval of the members is accordingly being sought by way of a special resolution underSections 42, 55 and 62(1)(c) of the Companies Act, 2013, read with the rules made thereunder, for the issue of the 0.01% Non-Convertible Redeemable Preference Shares (NCRPS)by converting the unsustainable debt not exceeding an amount of Rs. 114,60,00,000 (Rupees One Hundred Fourteen Crore Sixty lakh only) and to offer and allot the NCRPS on a privateplacement basis to the Proposed Allottee on the terms and conditions set out hereunder.

Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules,2014:

The size of the issue and number of preference shares to be issued and nominal value of each share	1,14,60,000 (One Crore Fourteen Lakh Sixty Thousand) 0.01% Non-Convertible Redeemable Preference Shares (NCRPS) of Face Value of Rs. 100/- each (Rupees Hundred Only) are proposed to be allotted to the Proposed Allottee through the Preferential Issue for not exceeding an amount of Rs. 114,60,00,000 (Rupees One Hundred Fourteen Crore Sixty Lakh only)
Nature of such shares	Cumulative, Non-Participating, 0.01% Non-Convertible Redeemable Preference Shares

Objective of the Issue	As per the Resolution plan sanctioned by Lead Banker i.e. Punjab National Bank
Manner of Issue of Shares	Private Placement Basis
The Price at which such shares are proposed to be issued	Issue price of Rs. 100/- ( Rupees One Hundred only)at par and as determined by the Board in accordance with the pricing guidelinesprescribed under SEBI ICDR Regulations.
The basis on which the price has been arrived at	Since the Proposed Allottee are Lenders of the Company and Preference shares are being issued as per Resolution Plan and further by taking base as per Pricing guidelines prescribed under ICDR regulations price is arrived at par.
The terms of Issue Including terms and rate of dividend on each share etc	<p>i) The NCRPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;</p> <p>ii) The NCRPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;</p> <p>iii) The NCRPS shall have a voting right as per the provisions of Section 47 of the Companies Act, 2013.</p> <p>iv) The NCRPS shall be Non-convertible</p> <p>v) The NCRPS shall be redeemable in 5 years from F.Y 2030 TO F.Y 2034.</p> <p>vi) The NCRPS issued at coupon rate @0.01% p.a</p> <p>vii) The NCRPS shall bear a cumulative dividend equal to 0.01% per annum payable on a yearly basis.The dividend will be calculated on pro-rata basis i.e. from the date of allotment of such NCRPS.</p>
The terms of redemption including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The NCRPS shall be redeemable in 5 years from F.Y 2030 TO F.Y 2034.
The manner and mode of redemption	Redemption shall be in accordance with the Companies Act, 2013.
The current shareholding pattern and the expected dilution in equity share capital upon conversion of preference shares	Since these are Non-Convertible Preference Shares, therefore no dilution will be there upon its conversion.

The details of the issue and other particulars are not applicable/exempted from SEBI ICDR Regulations since the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring scheme implemented in accordance with the guidelines specified by the Reserve Bank of India and will be subjected to the conditions of SEBI (ICDR) Regulations. The said securities so allotted shall be locked-in for a period of one year from the date of their allotment.

#### Equity shareholding pattern of the company

Shareholders	No. of Equity Shares of Rs.2/each	Percentage of Shareholding
<b>Promoter and Promoter Group</b>		
Individual/Hindu Undivided Family	17,864,767	11.82%
Any Other	19,246,250	12.72%
<b>Financial Institutions/Banks</b>		
PUNJAB NATIONAL BANK	22,243,190	14.45%
ALLAHABAD BANK	16,193,042	10.52%
ALLAHABAD BANK	15,570,234	10.73%
<b>Non-Institutions</b>		
Individual Shareholders	23,724,763	15.69
NBFCs registered with RBI	47,204	0.03%
Bodies Corporate	35,327,588	23.37%
Non Resident Indians	224,625	0.15%
Resident Indian Huf	790,031	0.51%
Others	2,2000	0.01%
<b>Total</b>	<b>151,253,694</b>	<b>100%</b>

#### Preference shareholding pattern as on date of this notice

Name of the shareholder	No. of shares held	Percentage of shareholding
Usha Gupta	15,000	7.50%
Satya Bhama	65,000	32.50%
Ramesh Gupta	30,000	15.00%
Mohan Lal Gupta	15,000	7.50%
Anu Gupta	60,000	30.00%
Patriot Pipes Pvt. Ltd	15,000	7.50%
<b>Total</b>	<b>200,000</b>	<b>100%</b>

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

The Board of Directors recommends the resolutions as set out in Item No. 9 of the Notice for the approval of the members by way of special resolution

**ITEM NO. 10.**

The Company had from time to time issued 2,00,000 Redeemable Preference shares of Rs.100/- each to carry out its increasing business activities Such Shares were issued and which weredue for redemption as per the table mentioned below:

Name of the Preference Share holder	No. of Preference Shares	Date of Allotment	Original Due date for Redemption
Usha Gupta	15,000	27.04.2004	28.04.2019
Satya Bhama	65,000	27.04.2004	28.04.2019
Ramesh Gupta	30,000	27.04.2004	28.04.2019
Mohan Lal Gupta	15,000	27.04.2004	28.04.2019
Anu Gupta	60,000	27.04.2004	28.04.2019
Patriot Pipes Pvt. Ltd	15,000	27.04.2004	28.04.2019

Pursuant to section 48 of the companies Act 2013 and other applicable provisions, if any, since the share capital of company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of not less than three -fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. Also, section 55 of the Companies Act - 2013 provides that redeemable preference shares can be issued for a maximum period of 20 years, therefore the company with the approval of preference shareholders intend to extend the redemption period of stated shares for five years from due date of redemption of preference shares due to the Sanction conditions imposed by the Lender i.e. Punjab National Bank (Lead Banker)of the Company in terms of Resolution plan/Sanction letter and non-availability of resources due to financial health of the Company. Your Board believes that it will be prudent for the company to conserve its financial resources due to commercial expediency and owing to the development plans. Further, written consent of all the preference shareholders have already received by the company in this regards.

The Company proposes to extend the redemption period for five years from the due date of redemption preferences shares in the manner below:

Name of the Preference Share holder	No. of Preference Shares	Date of Allotment	Original Due date for Redemption	Extended Date of Redemption
Usha Gupta	15,000	27.04.2004	28.04.2019	28.04.2024
Satya Bhama	65,000	27.04.2004	28.04.2019	28.04.2024
Ramesh Gupta	30,000	27.04.2004	28.04.2019	28.04.2024
Mohan Lal Gupta	15,000	27.04.2004	28.04.2019	28.04.2024
Anu Gupta	60,000	27.04.2004	28.04.2019	28.04.2024
Patriot Pipes Pvt. Ltd	15,000	27.04.2004	28.04.2019	28.04.2024

Accordingly, the Committee of Board recommends the special resolution at item no. 10 for approval. Directors/Key Managerial Personnel of the Company holding the stated preference shares of company shall be deemed to be concerned or interested in the aforesaid resolution to the extent of their Preference shareholding in the company.

**By order of the Board**  
For **STURDY INDUSTRIES LTD**

PLACE: PARWANOO  
DATE: 03.09.2019

Sd/-  
**(RAMESH GUPTA)**  
**WHOLE TIME DIRECTOR**  
**DIN: 00161363**  
**Address: H.NO. 11-12, SECTOR 1,**  
**PARWANOO,HIMACHAL PRADESH**



## BOARD'S REPORT

To  
The Members,

The Board of your Company is immensely delighted in presenting its 30<sup>th</sup> Annual Report. The Report is being presented along with the Audited Financial Statements for the Financial Year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

<b>PARTICULARS</b>	<b>Year Ended March 31<sup>st</sup> 2019 (Rs. In lacs)</b>	<b>Year Ended March 31<sup>st</sup> 2018 (Rs. In lacs)</b>
Revenue from Operations	185,24.81	210,06.37
Other Income	1,021.84	22,12.41
<b>Total Income</b>	<b>195,46.65</b>	<b>232,18.78</b>
<b>Less: Expenses</b>	199,46.11	257,33.18
Profit (Loss) before tax	(399.47)	(2514.39)
<b>Tax Expenses:</b>		
<b>Less: Current Tax</b>	0.00	0.00
<b>Less: Deferred Tax</b>	(199.07)	(3,63.54)
<b>Less: Net of Tax after comprehensive Income/Loss</b>	(6.82)	(17.93)
Total Profit/(Loss) After Tax	(18,32.97)	(21,32.93)

### REVIEW OF OPERATIONS AND BUSINESS PERFORMANCE

During the financial year under review, the company has achieved turnover including (income from other sources) of Rs. 19,546.65 Lakhs. However, the expenditure side of the Company has also been proportionally decreased to Rs. 19,946.11 lakhs. Your management is striving hard to improve the financial position of the Company by devising effective marketing plans and strategies.

### CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of Business.

### DIVIDEND

Taking into account loss incurred by the Company, Board of directors of the Company do not recommend any dividend for the year ended 31<sup>st</sup> March, 2019.

### **LISTING OF SHARES**

Presently, 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 2019-20.

### **BORROWINGS**

Total borrowings of the company both long term and short term as on 31st March, 2019 are amounting Rs. 24963.96 Lakhs as compared to previous year ended 31st March 2018 of amounting Rs. 25657.58 Lakhs **(For details Refer Note No. 13, 14 and Note No. 18 of the Audited Financial Statement)**.

### **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

The company has no subsidiaries, associates and joint venture companies.

### **EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92(3) and 134(3)(a) of the Act read with Rule 12(1) of the Companies (Management and administration) Rules, 2014 is furnished in **Form MGT-9** and is attached as **Annexure-1** to this Report.

### **BOARD AND COMMITTEE MEETINGS**

The details of meetings of the Board and committee thereof held during the financial year 2018-19 is provided in the Report on Corporate Governance which forms the part of this report.

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

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

- (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.

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- (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.

### **DECLARATION OF INDEPENDENCE**

The Board has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and regulation 16(b) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board they fulfil the conditions specified in the Act and the Rules made thereunder and are Independent of the management.

### **MACHANISM FOR EVALUATION OF BOARD**

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of 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 in time. 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.

The performance of each committee has been evaluated by its members and found to be highly satisfactory.

On the basis of this exercise, the Board has decided that all Independent Directors should continue to be on the Board.

### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Ramesh Gupta (DIN 0161363), Whole- Time Director of the company, will retire by rotation at the AGM and being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment.

Ms. Pushpa Devi (DIN 08238587), Additional Director appointed as Independent Director of the Company subject to the approval of the shareholders in the ensuing Annual General Meeting for the term of 5 years as prescribed under section 149 of The Companies Act 2013 and rules made there-under.

Brief resume/details of the Directors, who are to be re-appointed as mentioned herein, have been furnished along with the Explanatory Statement (**Note 9**) to the Notice of the ensuing Annual General Meeting.

The detailed section on 'Board of Directors' is given in the separate section titled 'Corporate Governance Report' forming part of this Annual Report.

#### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

The company has not made any investment not any loan and gurantee. However the details of the Loans and investments made by the Company are in Note No.2 of the audited financial statements of the company. The Company has not made any loans to any persons within the meaning of Section 186 and has also not given any guarantees within the meaning of that section.

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

During the year,Company has entered into certain transactions with related parties with related parties pursuant to the provisions of section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and which could be considered 'material' as per Regulation 23 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Such transactions are reported in form **AOC-2 as Annexure – 2.**

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.sturdyindustries.com](http://www.sturdyindustries.com) and direct web link to the policy is at <http://www.sturdyindustries.com/pdf/financial/Related%20Party%20policy.pdf>

#### **TRANSFER TO RESERVES**

During the year under review, company incurred Losses of 1,832.97 Cr. and the same 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**

During the year under review, no material change took place which may effect the financial position of the company.

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

Your Board 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. The Nomination and remuneration Policy is available on the website of the company at [www.sturdyindustries.com](http://www.sturdyindustries.com) and direct web link to the policy is at <http://www.sturdyindustries.com/pdf/financial/Nomination-Remuneration%20Policy.pdf>

### **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. The provisions of risk management committee pursuant to the Companies Act 2013 are not applicable to Sturdy Industries Limited. Hence, any standard policy has not been drafted.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to the provisions of Section 177(9) & 177(10) of the Companies Act 2013, the Company has in place a well formulated Vigil Mechanism/ Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Purpose of vigil mechanism is to provide for adequate safeguards against victimization of persons who use such mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The policy enables the employees, Directors and other stakeholders to raise their concern about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics.

There was no incident when the access to the Audit Committee was denied to any employees with respect to vigil mechanism. The policy is posted on the website of the Company at [www.sturdyindustries.com](http://www.sturdyindustries.com) and direct web link to the policy is at <http://www.sturdyindustries.com/pdf/financial/Vigil%20Mechanism.pdf>

### **CORPORATE SOCIAL RESPONSIBILITY**

The Provisions relating to Section 135 of the Companies Act, 2013 are not applicable to the Company, since the company is incurring losses from past few years.

### **DEPOSITS**

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

- a) Deposits Accepted during the year; **NIL**
- b) Remained unpaid or unclaimed as at the end of the year; **NIL**
- c) 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**
- d) The details of deposits which are not in compliance with the requirements of Chapter.

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

During the year, there was no change in the Authorized as well as paid up share capital of the company.

**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. The report on Internal Financial Control under Clause (i) of Sub- Section 3 of Section 143 of The Companies Act 2013, is enclosed in the **Annexure-B to the Independent Auditors’ Report**.

**AUDITORS AND AUDITORS’ REPORT**

**STATUTORY AUDITOR**

The members had at 29<sup>th</sup> AGM of the Company appointed M/s.K Singh & Associates (Firm’s Registration Number: 012458N) as Statutory Auditors of the company to hold the office from the close of the 29<sup>th</sup> AGM till the conclusion of the 34<sup>th</sup> AGM, subject to their appointment being ratified by the members in every AGM. The members of the Company approved deletion of the requirement of seeking ratification of appointment of Statutory Auditors at every AGM pursuant to amendment brought by the Companies Amendment Act, 2017.

The Notes to Accounts referred to in the Auditors’ Report on “**Note No. 28**” are self-explanatory and therefore do not call for any further comments.

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

<b>Auditor Observation</b>	<b>Reply</b>
Attention is invited to Note No 2 of the financial statements in respect of Property, Plant and Machinery and Equipments and depreciation on assets thereon. The company has already booked depreciation amounting to Rs. 4.51 Cr upto 31/12/2018. During the current quarter the company has re-accessed the life of plant and machinery through Chartered Engineer, as per his certificate dated 09/03/2019 the management of the company has taken the accessed useful life of plant and	The company has re-accessed the life of plant and machinery through Chartered Engineer, as per his certificate dated 09/03/2019 the management of the company has taken the accessed useful life of plant and machinery to 35 Years against 25 Years as specified in part ‘C’ of Schedule II of the companies Act 2013.

<p>machinery to 35 Years against 25 Years as specified in part 'C' of Schedule II of the companies Act 2013, as result of which depreciation for the current Quarter ending 31st March 2019 is Negative to the extent of Rs 1.26 Crs and as a result of this readjustment in useful life of plant and machinery, depreciation and Net Block has been adjusted accordingly which has resulted in increase in the net profit to the extent 1.26 Cr for the year.</p>	
<p>Attention is invited to Note No.9 of the financial statements in respect of Short Term Loan and Advances amounting to Rs. 1243.77 Lacs shown as recoverable in respect of Claims to be received on account of subsidy/incentives/other Govt. claims, out of which Rs. 1019.67 Lacs has been considered as income during the year (Refer note 22 of financial statements), although the same has not been acknowledged by the concerned departments and right to receive has not been established. Hence profit to that extent has been overstated in financial statements.</p>	<p>As per polices of Government of Assam industrial department, the company has recognized the claims for interest subsidy and the documents for claims are submitted with the concerned department for release of incentives from time to time and being claimed since the inception of the Assam unit i.e F.Y 2012-13.</p>

### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/S Himanshu Sharma & Associates, Company Secretary in Practice (C.P. No. 11553) as Secretarial Auditor 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 3** and forms an integral part.

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

<b>Auditor Observation</b>	<b>Reply</b>
<p>Company has not filed Financial Results within stipulated time as prescribed under regulations 33 of SEBI (LODR) Regulation 2015</p>	<p>The delay occurred due to some reconciliation of accounts with the Lenders. Company's account has gone into SDR, therefore due to some reconciliation the finalization of Financial Statement of FY 2017-18 got delayed.</p>
<p>Company has not filed prior intimation of meeting of Board of Directors as per Regulation 29(2)/ 29(3) of SEBI (LODR) Regulations 2015</p>	<p>The delay occurred due to resignation of Company secretary. Since this intimation has to be submitted through the listing portal neither</p>

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	anyone other than CS of the company was aware about this nor having the ID password of the listing centre.
Company has not published quarterly unaudited /audited result in Newspaper as per Regulation 29(2)/ 29(3) of SEBI (LODR) Regulations 2015	Most of the time Company published the financial result but the same was not published on time i.e. with 48 hrs.
Company has not appointed Chief Financial Officer as required under the provisions of Section 203 of the Companies Act, 2013 read with companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Listing Agreement	The company was in search of qualified person who can represent the company as CFO. Further, Company office is situated in remote area, therefore, the availability of human resource were very less. But now, the company has appointed full time CFO on 22 <sup>nd</sup> April 2019
Company Website is not updated after 30/06/2018 as per Companies Act, 2013 and Regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Company website was down due to technical error at the time of Audit. Now the error has been rectified and all the required documents/information are available on the Website of the Company and necessary links has been provided in the Board Report wherever required.
Company has not uploaded voting result within 48 Hour of the Conclusion of AGM. AGM was held on 29/09/2018 and was disseminated on stock exchange dated 10/10/2018	This delay happens due to non-availability of Internet at the time of uploading. Company was not able to upload the same on time. However, the same was uploaded on 10/10/2018.
Company has intimated in advance also intimate the conclusion but not within 30 Minutes.	Mostly all the outcome were uploaded within 1 hour of the outcome of Board meeting, this slight delay happens due to poor internet connectivity sometime.
Ms. Charuaggarwal was appointed as a Whole time CS on dated 13/07/2018 and resigned on 05/11/2018. After the resignation of Ms. Charu Aggarwal, MR. Gurwinder Singh was appointed as CS Cum Compliance officer dated 16/03/2019.	The company was looking for a suitable candidate for posting at its registered office as Company Secretary. Company advertised about the requirement of Company Secretary but due to the remote area nobody has shown their interest. But, now on, the company has appointed Whole-time Company Secretary w.e.f. 16 <sup>th</sup> March 2019.

### **COST AUDITORS**

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s Balwinder & Associates, Cost Accountants (Firm Registration No. 000201),  
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Chandigarh were appointed as the Cost Auditors of the Company for FY 2018-19 to audit the cost accounts of the Company. They have been re-appointed as Cost Auditors for FY 2019-20.

### **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.

### **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**.

### **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 2017-18 and hence no complaint is outstanding as on 31.03.2019.

The policy has been posted on the website of the company at [www.sturdyindustries.com](http://www.sturdyindustries.com) under head Investor.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussions and Analysis Report as required, pursuant to Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed and forms part of this Report.

### **CORPORATE GOVERNANCE**

The Company has complied with all the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

A separate section on Corporate Governance along with a certificate from the Auditors of the Company confirming the compliance is annexed and forms part of this Report. The Board has also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally.

### **CASH FLOW ANALYSIS**

In conformity with the provisions of Clause 34(2) of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended on 31<sup>st</sup>March, 2019 forms an integral part of the Financial Statements.

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**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**

Directors wish to convey their sincere appreciation for the co-operation and excellent assistance the Company has received from central/state government(s) and various ministries, departments of the central/state government(s), dealers and valued business associates without which it would not have been possible to achieve all round progress and growth of the Company.

The Board also places on record its appreciation to all investors, banks, regulatory and government authorities, for their continued support continued trust and support. The Board also places on record its appreciation for the continuous patronage of the customers of the Company.

***For and On Behalf of THE BOARD  
OF STURDY INDUSTRIES LIMITED***

**PLACE: Parwanoo  
DATE : 03.09.2019**

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

Sd/-  
**(RAMESH GUPTA)**  
**(DIN NO. 00161363)**  
**WHOLE TIME DIRECTOR**

**Annexure- 1**

<b>FORM NO. MGT 9</b>						
<b>EXTRACT OF ANNUAL RETURN</b>						
As on financial year ended on 31.03.2019						
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.						
<b>I. REGISTRATION &amp; OTHER DETAILS:</b>						
1	CIN	L25209HP1989PLC009557				
2	Registration Date	27.07.1989				
3	Name of the Company	STUDRY INDUSTRIES LIMITED				
4	Category/Sub-category of the Company	Indian Non-Government Company				
		Company Limited by Shares				
5	Address of the Registered office & contact details	21, Industrial Area, Parwanoo, Baddi, Himachal Pradesh-173205 Email:-legalsturdy@gmail.com Telephone no: 01792-232570, 232863, 232864 Fax no.: 01792-232770				
6	Whether listed company	Yes				
7	Name, Address & contact details of the Registrar & 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 Phone No. :- 011-64732681-88, Fax 011-26812682				
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>						
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)						
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company			
1	Plastic Pipes & Irrigation	25209	50.56			
2	Aluminum Devision(Conductor)	31300	48.48			
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>						
SN	Name and address of the Company	CIN/GLN	Holding/ Associate	Subsidiary/	% of shares held	Applicable Section
1						
2						
3						

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IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	16,673,667	1,496,400	18,170,067	12.01%	17,451,967	412,800	17,864,767	11.81%	0.20%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	11,587,200	7,353,750	18,940,950	12.52%	11,587,200	7,659,050	19,246,250	12.72%	-0.20%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>28,260,867</b>	<b>8,850,150</b>	<b>37,111,017</b>	<b>24.54%</b>	<b>29,039,167</b>	<b>8,071,850</b>	<b>37,111,017</b>	<b>24.54%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>28,260,867</b>	<b>8,850,150</b>	<b>37,111,017</b>	<b>24.54%</b>	<b>29,039,167</b>	<b>8,071,850</b>	<b>37,111,017</b>	<b>24.54%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									

<b>1. Institutions</b>									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI		77,139,384	77,139,384	51.00%	37,813,424	16,193,042	54,006,466	35.71%	-29.99%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	<b>77,139,384</b>	<b>77,139,384</b>	<b>51.00%</b>	<b>37813424</b>	<b>16,193,042</b>	<b>54,006,466</b>	<b>35.71%</b>	<b>-29.99%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	49,03,644	7,838,370	12,742,014	8.42%	4,349,896	30,971,288	35,321,184	23.35%	-14.93
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	11468540	6808540	18,277,080	12.08%	11545722	6,802,040	18,347,762	12.13%	-0.05%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4271906	590390	,862,296	3.21%	4804082	590390	5,394,472	3.57%	-0.35%
c) Others									
<b>Non Resident</b>	-		-	0.00%			-	0.00%	0.00%

Indians									
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals		213125	213,125	0.14%	222,625	-	222,625	0.15%	0.15%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts/HUF/N BFC	907278	1500	908,778	0.60%	850,168	-	850,168	0.56%	-0.04%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>21,551,368</b>	<b>15,451,925</b>	<b>37,003,293</b>	<b>24.46%</b>	<b>21,772,493</b>	<b>38,363,718</b>	<b>60,136,211</b>	<b>39.76%</b>	<b>15.29%</b>
<b>Total Public (B)</b>	<b>21,551,368</b>	<b>92,591,309</b>	<b>114,142,677</b>	<b>75.46%</b>	<b>59,585,917</b>	<b>54,556,760</b>	<b>114,142,677</b>	<b>75.46%</b>	<b>0.84%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>				<b>0.00%</b>				<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>49,812,235</b>	<b>101,441,459</b>	<b>151,253,694</b>	<b>100.00%</b>	<b>88,625,084</b>	<b>62,628,610</b>	<b>151,253,694</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) 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	
1	Amit Gupta & Sons	81,407	0.05%	81,407	81,407	0.05%	81,407	0.00%
2	Amit Gupta	345,850	0.23%	345,850	345,850	0.23%	345,850	0.00%
3	Satya Bhamra	424,600	0.28%	424,600	424,600	0.28%	424,600	0.00%
4	Usha Gupta	549,085	0.36%	549,085	549,085	0.36%	549,085	0.00%
5	Ramesh Kumar Gupta & Sons HUF	1,036,420	0.69%	1,036,420	1,036,420	0.69%	1,036,420	0.00%
6	Mohan Lal Gupta	3,820,216	2.53%	3,229,826	3,229,826	2.14%	3,229,826	-0.39%
7	Mohan Lal Gupta & Sons(HUF)	4,476,778	2.96%	4,476,778	4,476,778	2.96%	4,476,778	0.00%
8	Ramesh Kumar Gupta	6,727,501	4.45%	6,529,701	6,727,501	4.45%	6,529,701	0.00%
9	Vats Plastic Pipes Pvt.	952,000	0.63%	629,500	629,500	0.42%	629,500	-0.21%

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	Ltd.							
10	Jai Ambey Iron & Steel Ltd.	1,000,000	0.66%	NIL	1,000,000	0.66%	NIL	0.00%
11	AmbeyVaishno Steel Pvt. Ltd.	1,000,000	0.66%	NIL	1,000,000	0.66%	NIL	0.00%
12	Shree Ambey Forging Pvt. Ltd.	1,000,000	0.66%	NIL	1,000,000	0.66%	NIL	0.00%
13	Patriot Pipes Pvt. Ltd.	2,098,050	1.39%	1,997,000	1,997,000	1.32%	1,997,000	-0.07%
14	Jagan Irrigation Systems Pvt. Ltd	2,306,800	1.53%	2,306,800	2,306,800	1.53%	2,306,800	0.00%
15	Saurabh Portfolios Pvt. Ltd.	3,142,400	2.08%	2,411,400	2,927,400	1.94%	2,411,400	-0.14%
16	Alpine Capital Service Ltd	5,283,100	3.50%	4,242,500	5,283,100	3.49%	4,242,500	0.00%
17	Shivam Deepak Jain U/G Pushpa Jain	391,650	0.26%	NIL	389,150	0.26%	NIL	0.00%
18	Sahil Deepak Jain U/G Pushpa Jain	389,150	0.26%	NIL	389,150	0.26%	NIL	0.00%
19	Vats Credit Private Limited	312,800	0.21%	NIL	312,800	0.21%	NIL	0.00%
20	Gulshan Malhotra	197,800	0.13%	NIL	197,800	0.13%	NIL	0.00%
21	Gopal Sharma	4,300	0.00%	NIL	4,300	0.00%	NIL	0.00%
22	Jitendra Bhanot	4,300	0.00%	NIL	4,300	0.00%	NIL	0.00%
23	Dinesh Kumar	4,300	0.00%	NIL	4,300	0.00%	NIL	0.00%
24	Jeevan Naryal	4,300	0.00%	NIL	4,300	0.00%	NIL	0.00%
25	Worthwhile Financial Services Private Limited	1,247,000	0.82%	NIL	1,247,000	0.82%	NIL	0.00%
26	JaganCredir Private Limited	559,000	0.37%	NIL	559,000	0.37%	NIL	0.00%
27	Patriot Hire Purchase Private Limited	518,150	0.34%	NIL	518,150	0.34%	NIL	0.00%
28	Sahyog Credits Ltd	222,500	0.15%	NIL	215,000	0.14%	NIL	0.00%
29	Baddi Steels Pvt Ltd	172,000	0.11%	NIL	172,000	0.11%	NIL	0.00%
30	Pallavi Hire Purchase Pvt Ltd	86,000	0.06%	NIL	86,000	0.06%	NIL	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	<b>At the beginning of the year</b>			38,375,457	25.37%		

	<b>Changes during the year</b>			1,264,440	0.83%		
	<b>At the end of the year</b>			37,111,017	24.54%	37,111,017	24.54%
<i>Note: The table is showing some difference between the shareholding which occurred due to shifting of shares in body corporate section but on the whole there is no change in the promoters' shareholding neither there is change in total paid up share capital of the co.</i>							
<b>(iv) Shareholding Pattern of top ten Shareholders</b>							
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>Allahabad Bank</b>						
	At the beginning of the year			31,763,276	21.00%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			31,763,276	21.00%	31,763,276	21.00%
<b>2</b>	<b>Greenway Advisors Private Limited</b>						
	At the beginning of the year			23,132,918	15.29%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			23,132,918	15.29%	23,132,918	15.29%
<b>3</b>	<b>Punjab National Bank</b>						
	At the beginning of the year			22,243,190	14.71%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			22,243,190	14.71%	22,243,190	14.71%
<b>4</b>	<b>Divya Tubes Private Limited</b>						
	At the beginning of the year			3,000,000	1.98%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			3,000,000	1.98%	3,000,000	1.98%
<b>5</b>	<b>Motia Constructions Limited</b>						
	At the beginning of the year			2,000,000	1.32%		0.00%



	Changes during the year			-	0.00%		0.00%
	At the end of the year			2,000,000	1.32%	2,000,000	1.32%
<b>6</b>	<b>N K Sharma Enterprises Limited</b>						
	At the beginning of the year			2,000,000	1.32%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			2,000,000	1.32%	2,000,000	1.32%
<b>7</b>	<b>BCL Homes Limited</b>						
	At the beginning of the year			1,000,000	0.66%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			1,000,000	0.66%	1,000,000	0.66%
<b>8</b>	<b>Anugrah Stock &amp; Broking Pvt Ltd</b>						
	At the beginning of the year			448,358	0.30%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			448,358	0.30%	448,358	0.30%
<b>10</b>	<b>Innovative Textile Pvt Ltd</b>						
	At the beginning of the year			430,000	0.28%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			430,000	0.28%	430,000	0.28%
<b>10</b>	<b>Dinesh Management Services Limited</b>						
	At the beginning of the year			398,610	0.26%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			398,610	0.26%	398,610	0.26%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total	No. of shares	% of

					shares		total shares
<b>1</b>	<b>MOHAN LAL GUPTA</b>						
	At the beginning of the year			3,820,216	2.53%		0.00%
	Changes during the year			590,390	0.39%		0.00%
	At the end of the year			3,229,826	2.14%	3,229,826	2.14%
<b>2</b>	<b>RAMESH GUPTA</b>						
	At the beginning of the year			6,727,501	4.45%		0.00%
	Changes during the year			197800	0.13%		0.00%
	At the end of the year			6,529,701	4.32%	6,529,701	4.32%
<b>3</b>	<b>AMIT GUPTA</b>						
	At the beginning of the year			345,850	0.23%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			345,850	0.23%	345,850	0.23%
<b>4</b>	<b>SHAMSHER KUMAR SHARMA</b>						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			-	0.00%	-	0.00%
<b>5</b>	<b>PUSHPA DEVI</b>						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
<b>6</b>	<b>PUJA</b>						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%	-	0.00%
<b>V. INDEBTEDNESS</b> <span style="float: right;">(Rs. In Lacs)</span>							
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment.</b>							

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>(a) Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	22,379.50	3,278.08	-	25,657.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,379.50</b>	<b>3,278.08</b>	-	<b>25,657.58</b>
<b>(b) Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	(692.33)	(1.28)	-	(693.61)
<b>Net Change</b>	<b>(692.33)</b>	<b>(1.28)</b>	-	<b>(693.61)</b>
<b>(c) Indebtedness at the end of the financial year</b>				
i) Principal Amount	21,687.17	3,276.80	-	24,963.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>21,687.17</b>	<b>3,276.80</b>	-	<b>24,963.97</b>
<b>Total (a+b+c)</b>	<b>43,374.34</b>	<b>6,553.60</b>	-	<b>49,927.94</b>

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amt (Rs/Lac)
		MOHAN LAL GUPTA	RAMESH GUPTA	AMIT GUPTA	
	Name	MOHAN LAL GUPTA	RAMESH GUPTA	AMIT GUPTA	(Rs/Lac)
	Designation	MD	WTD	WTD	
1	Gross salary	2400000	2400000	2400000	7200000
	(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			
	<b>Total (A)</b>	<b>4,800,000.00</b>	<b>2,400,000.00</b>	<b>72,00,000.00</b>
	Ceiling as per the Act			

**B. Remuneration to other Directors**
**NIL**

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

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**
**NIL**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (Rs/Lac)
	Name	Amit Bhatti	
	Designation	CFO	
1	Gross salary	3,00,000.00	3,00,000.00

	(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					-
	<b>Total</b>				<b>3,00,000.00</b>	<b>3,00,000.00</b>

Note- CFO resigned on 25.07.2017

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

NIL

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	NA				
Punishment	NA				
Compounding	NA				
<b>B. DIRECTORS</b>					
Penalty	NA				
Punishment	NA				
Compounding	NA				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA				
Punishment	NA				
Compounding	NA				

## Form No. AOC-2

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

S. No.	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,purchase payment received,etc.)	Transactions in normal course of business.	Sale and Purchase of Material at Arm length Price.  Goods Purchase:- Rs.96.04 Lacs Sold: Rs.76.97 Lacs  Payment Recd: Rs.27.82 Lacs	22.06.2018	NA	NA

**MR-3****Secretarial Audit Report**

(For the period 01.04.2018 to 31.03.2019)

*[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, Himachal Pradesh

Dear Sir,

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2019 according to the provisions of:

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

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- (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;
  - vii. SEBI(LODR) Regulations, 2015

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified and effective from 1<sup>st</sup> July, 2015).
- (ii) The SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

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

1. Company has not filed Financial Results within stipulated time as prescribed under regulations 33 of SEBI (LODR) Regulation 2015.
2. Company has not filed prior intimation of meeting of Board of Directors as per Regulation 29(2)/ 29(3) of SEBI (LODR) Regulations 2015
3. Company has not published quarterly unaudited /audited result in Newspaper as per Regulation 29(2)/ 29(3) of SEBI (LODR) Regulations 2015



4. Company has not appointed Chief Financial Officer as required under the provisions of Section 203 of the Companies Act, 2013 read with companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Listing Agreement
5. Company Website is not updated after 30/06/2018 as per Companies Act, 2013 and Regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
6. Company has not uploaded voting result within 48 Hour of the Conclusion of AGM. AGM was held on 29/09/2018 and was disseminated on stock exchange dated 10/10/2018
7. Company has intimated in advance also intimate the conclusion but not within 30 Minutes.
8. Ms. Charu Aggarwal was appointed as a Whole time CS on dated 13/07/2018 and resigned on 05/11/2018. After the resignation of MS Charu Aggarwal, MR. Gurwinder Singh was appointed as CS Cum Compliance officer dated 16/03/2019.

## 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 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 decisions are carried through while the dissenting member's 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**

Place:- New Delhi  
Date :- 19.08.2019

Sd/-  
Himanshu Sharma  
M No. 27235  
C.P. NO. 11553

**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. 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) 2018-19**

Foreign Exchange earnings :- \$47,15,531.00

Foreign Exchange outgo :- NIL

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

S.No.	Requirements of Rule 5(1)	Details		
	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;	<b>Name</b>	<b>As per Payout</b>	<b>As per terms</b>
		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 31.03.2019		
(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.	<b>Detail</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
		Market Capitalization	4.69 Cr.	14.06 Cr.
		Share price – BSE	0.32	0.93
		EPS	NIL	NIL
		Net Worth	1.08 Cr.	19.20 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	3:1		
(xii)	Affirmation that the remuneration is as per the	Remuneration policy of the company		

## **CORPORATE GOVERNANCE REPORT**

### **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. Being a value-driven organization, the company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on principles of good corporate governance viz. integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. This section, along with the section on 'Management Discussion & Analysis', constitute the Company's compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The 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.

### **II. THE 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. We ensure that the Board is provided with all relevant operational information to maintain a transparent decision making process.

#### **a) Size and Composition of Board**

As on 31<sup>st</sup> March, 2019 the Board of Directors of the company have of 6 (Six) members which consist of as follows:

- Three Executive Directors out of which one is CEO cum Managing Director and remaining two are Whole-time Directors.
  - Three Non- Executive Directors cum Independent Directors out of which Two are Women Director.
- The Composition of the Board is in conformity with regulation 17 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

## b) Board Meetings

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

During the Financial Year 2018-19, the Board of Directors met 12 times during the year on 18.06.2018, 13.07.2018, 14.08.2018, 27.08.2018, 29.08.2018, 13.09.2018, 03.10.2018, 14.11.2018, 10.12.2018, 14.02.2019, 16.03.2019, 22.03.2019. The maximum gap between any two meetings was less than four months as stipulated under listing regulations as well as Companies Act, 2013.

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.

Following is the attendance of Directors at the Board Meetings as well as in committee meetings held during the year 2018-19 and the last Annual General Meeting (AGM) held on 29.09.2018 are as follows:

Name of Director	Category of Directorship	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				
Sh. Mohan Lal Gupta, CEO-MD	ED –WTD	00161184	12	12	Yes	--	--	--
Sh. Ramesh Gupta	ED –WTD	00161363	12	12	Yes	--	2	-
Sh. Amit Gupta	ED –WTD	00161417	12	12	Yes	--	--	--
Sh. Shamsher Kumar Sharma	NED –ID	08063703	08	08	No	--	1	1
Ms. Pushpa Devi	NED –ID	08238587	05	05	No	--	3	--
Ms. Puja	NED –ID	08054543	12	12	Yes	--	3	2

\*ED stands for Executive Director; WTD stands for Whole-Time Director, NED stands for Non- Executive Director and ID stands for Independent Director.

**Notes:** 1. Mr. Mohan Lal Gupta is father of Mr. Amit Gupta. 2. Mr. Ramesh Gupta is Brother of Mr. Mohan Lal Gupta. Apart from these Directors none of the other Director is related to each other.

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

<b>Name of Director</b>	<b>Category</b>	<b>No. of shares held (Rs 2/- paid up)</b>	<b>Remuneration</b>
Ms. Pu	ID/NED	0	Nil
Sh. Shamsher Kumar Sharma	ID/NED	0	Nil
Ms. Pushpa Devi	ID/NED	0	Nil

**Familiarization Programme for Independent Directors**

Pursuant to the Code of Conduct for Independent Directors specified under the Companies Act, 2013 and requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a familiarization programme for all its Independent Directors to familiarize them on their roles, rights and responsibilities in the Company.

The Familiarization programme for Independent Directors is posted on the website at [www.sturdyindustries.com](http://www.sturdyindustries.com) and the direct link to the programme is at <http://www.sturdyindustries.com/pdf/financial/Familiarization%20Programme-Independent%20Director.pdf>.

**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 five members with Sh. Devinder Nath Sharma, 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 and to Stock Exchange.

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 reached 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. Ramesh Gupta will be retiring by the rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

Name	: -	Mr. Ramesh Gupta
Date of Birth	: -	14.09.1961
Date of Appointment	: -	27.07.1989
Expertise in Specific	: -	He is one of the core promoters of the company. Mr. Ramesh Gupta has been looking after the corporate administration, image & brand building, financial administration and public relations. He has an extensive background and experience in Finance, Banking, International Business Relations and infrastructure development related activities of the company. He has experience in the aforesaid fields for more than 20 years. He is widely travelled person..
List of Outside Directorship	: -	NIL
Membership/Chairmanship of: - the committees of Board of Directors	: -	NIL
Number of Shares Held in the Company	: -	6529701 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 2018-19, 6 meetings of the Audit Committee were held on 25.05.2018, 18.06.2018, 27.08.2018, 03.10.2018, 14.11.2018, 14.02.2019.

As on 31<sup>st</sup> March 2019, the composition of the Audit committee and attendance of the members at the meetings are as under:

S. No.	Name of Director	Category	Designation	No. of Board Meetings attended	
				Held	Attended
1	Mr. Devinder Nath Sharma **	NED- ID	Member	4	4
2	Ms. Puja	NED- ID	Chairperson	6	6
3	Mr. Ramesh Gupta	ED- WTD	Member	6	6
4.	Ms. Pushpa Devi	NED- ID	Member	3	3

\*ED stands for Executive Director; WTD stands for Whole-Time Director, NED stands for Non- Executive Director and ID stands for Independent Director.

\*\*Mr. Devinder Nath Sharma was the member of Committee till 03.10.2018. Later Ms. Pushpa Devi was appointed as the Independent Director and as Member of the Audit Committee.

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 in Part D of Schedule II of SEBI (LODR) Regulations, 2015.

Brief description of terms of reference 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;

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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, 2019**

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 (Amount In Lacs)</b>
1.	Sh. Mohan Lal Gupta	24.00
2.	Sh. Ramesh Gupta	24.00
3.	Sh. Amit Gupta	24.00
	<b>TOTAL</b>	<b>72.00</b>

During the financial year ended on 31st March, 2019, 6 (Six) meetings of the Nomination and Remuneration Committee were held on 28.05.2018, 18.06.2018, 27.08.2018, 03.10.2018, 14.11.2018, 14.02.2019.

As on 31<sup>st</sup> March 2019, the composition of the Nomination and Remuneration Committee is as given below:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Category</b>	<b>Designation</b>	<b>No. of Board Meetings attended</b>	
				<b>Held</b>	<b>Attended</b>
1	Mr. Devinder Nath Sharma*	NED- ID	Member	4	4
2	Mr. Ashok Omparkash Bhatia**	NED- ID	Member	1	1
3	Mr. Puja	NED- ID	Member	6	6
4.	Mr. Shamsheer Kumar Sharma**	NED- ID	Chairperson	4	4
5.	Ms. Pushpa Devi	NED- ID	Member	3	3

\*NED stands for Non- Executive Director and ID stands for Independent Director.

\*Mr. Devinder Nath Sharma was the member of Committee till 03.10.2018. Later Ms. Pushpa Devi was appointed as the Independent Director and as Member of the Board Committee.

\*\*Mr. Ashok Omparkash Bhatia was the member of Committee till 30.05.2018. Later Mr. Shamsheer Kumar Sharma was appointed as the Independent Director and as Member of the Board Committee.

### 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 2018-19, 6 (Six) meetings of the committee were held on 28.05.2018, 18.06.2018, 27.08.2018, 03.10.2018, 14.11.2018, 14.02.2019.

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. Devinder Nath Sharma**	ID/ NED	4	4
2	Mr. Ramesh Gupta	ED/WTD	6	6
3	Ms. Puja	ID/ NED	6	6
4	Ms. Pushpa Devi	ID/ NED	3	3

\*ED stands for Executive Director; WTD stands for Whole-Time Director, NED stands for Non- Executive Director and ID stands for Independent Director.

\*\* Devinder Nath Sharma was the member of Committee till 03.10.2018. Later Ms. Pushpa Devi was appointed as the Independent Director and as Member of the Board Committee.

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
29 <sup>th</sup> AGM	2017-18	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Saturday, the 29 <sup>th</sup> Day of September, 2017	09.30 AM	6
28 <sup>th</sup> AGM	2016-17	Plot No. 21, Industrial Area, Baddi, Distt	Wednesday, the 20 <sup>th</sup> Day of	09.30 AM	8

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		Solan- HP	September, 2017		
27 <sup>TH</sup> AGM	2015-16	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Saturday, the 20 <sup>th</sup> Day of August, 2016	09:30 AM	8

## 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 done 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 at [www.sturdyindustries.com](http://www.sturdyindustries.com) and direct link to the policy is at <http://www.sturdyindustries.com/pdf/financial/Related%20Party%20policy.pdf>.

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.

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 adopted Vigil Mechanism/ 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. The Code of conduct has been posted on the website of the company at [www.sturdyindustries.com](http://www.sturdyindustries.com) and direct link to the code of conduct is at <http://www.sturdyindustries.com/pdf/financial/Code%20of%20Conduct%20for%20Directors%20and%20employees.pdf>.

A declaration signed by the Managing Director (MD) 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 2018-19.”

Place: Parwanoo  
Date : 03.09.2019

-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 year.

During the year no penalty was imposed.

## **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, annual report and other policies & programmes are available in downloadable form.

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

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

Day, Date & Time : Saturday, 28<sup>th</sup> Day of September 2019 at 09.30 A.M.  
Venue : Plot No. 21, Industrial Area, Baddi, Distt Solan (HP)- 173205

**Financial year** : 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

### **Financial Calendar 2019-20 (Tentative)**

Results for the quarter ended 30<sup>th</sup> June, 2019  
Results for the quarter ended 30<sup>th</sup> Sep, 2019

By 14<sup>th</sup> August, 2019  
By 14<sup>th</sup> November, 2019

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Results for the quarter ended 31<sup>th</sup> Dec, 2019  
Results for the quarter ended 31<sup>st</sup> March, 2020

By 14<sup>th</sup> February, 2020  
By 30<sup>th</sup> May, 2020

**Book Closure Dates:**Friday, 20<sup>th</sup>September 2019 to 27<sup>th</sup>September 2019 (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, 2019, 88,625,084 equity shares representing 58.59% of the company's total paid up capital have 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 2018-19. (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, 2018	0.95	0.83	25
May, 2018	0.83	0.83	-
June, 2018	0.83	0.76	7
July, 2018	0.78	0.70	16
August, 2018	0.78	0.75	6
September, 2018	0.72	0.72	7
October, 2018	0.72	0.62	7
November, 2018	0.61	0.44	59
December, 2018	0.48	0.35	44
January, 2019	0.35	0.33	17
February, 2019	0.32	0.31	18
March, 2019	0.31	0.30	9

**Distribution of shareholding as at 31.03.2019:**

Distribution of shareholding of the equity shares of the company by size and ownership class as on 31.03.2019 is as under:

**(a) Shareholding pattern by size:**

<b>Shares holding Nominal Value of (Rs.)</b>	<b>No. of Shareholders</b>	<b>% to Total Numbers</b>	<b>Share holding Amount (Rs.)</b>	<b>% to Total Amount</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Up To 5,000	3429	65.78	7081602	2.34
5001 To 10,000	945	18.13	7938588	2.62
10001 To 20,000	346	6.64	5530208	1.83
20001 To 30,000	230	4.41	5731888	1.89
30001 To 40,000	50	0.96	1813490	0.60
40001 To 50,000	32	0.61	1497960	0.50
50001 To 1,00,000	70	1.34	5257620	1.74
1,00,000 and Above	111	2.13	267656032	88.48
<b>Total</b>	<b>5213</b>	<b>100</b>	<b>302507388</b>	<b>100</b>



(b) Shareholding Pattern by ownership:

Category	No. of Shares held	Voting Strength (%)
Promoters Holding	37,111,017	24.54
Non-Promoter Holding	114,142,677	75.46

#### 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)
- VII) Behind Plot 21, HPSIDC-Village Judikalan, Near IOC Bottling Plant, Tehsil Nalagarh, Distt- Solan, Himachal Pradesh 173205.

#### Address for Correspondences

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

#### Adoption of 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  
STURDY INDUSTRIES LIMITED**

PLACE:Parwanoo  
DATE : 03.09.2019

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

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

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Sturdy Industries Limited,**

We have examined the compliance of conditions of Corporate Governance by STURDY INDUSTRIES LIMITED for the year ended on 31<sup>st</sup> March 2019 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 K SINGH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REGD No. 012458N

PLACE: CHANDIGARH  
DATE : 30.08.2019

**Sd/-**  
(CA KULTAR SINGH)  
FCA, PARTNER

## **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 was incorporated in 1989. The company is involved in business of Aluminum Conductor, Pipes & fitting, Irrigation System, ACC & ACP Sheets and Trading in Polymers & Aluminum etc. Our business interest comprises Irrigation Systems- Drip & Sprinkler Irrigation, Power generation products- Aluminum 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 .18,524.81 Lacs for the year ended 31<sup>st</sup> March 2019, as compared to the previous year turnover of Rs. 21,006.37 Lacs. The turnover of the company has fallen substantially. The Financial expenses of the company have also been decreased during the year. The Company has incurred a loss of Rs. 1832.97 Lacs 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 key competitive strengths of the company 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. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

#### A) PRIMARY SEGMENT

The company's primary segment includes Aluminum Conductor, Pipes & fitting, Irrigation System, ACC & ACP Sheets and Trading in Polymers & Aluminum etc.

During the year ended 31<sup>st</sup> March, 2019, the details of primary segment information and revenue are as follows:

(Rs. In Lacs)						
S. No.	Description	(Manufacturing) Plastic Pipes & Irrigations	(Manufacturing) Aluminum Divisi ons	Trading	Others	Total
1.	Sales	892.51	10131.84	7500.46	1021.84	19546.65
2.	Total Revenue	892.51	10131.84	7500.46	1021.84	19546.65
3.	Segment Result	-	-	-	-	-
4.	Interest	-	-	-	-	596.58
5.	Profit/Loss Before Tax	-	-	-	-	(399.47)
6.	Extraordinary Items	-	-	-	-	(1625.75)
7.	Provision for Current Tax	-	-	-	-	-
8.	Profit/Loss Before Tax	-	-	-	-	(2025.22)
9.	Segment Assets	-	-	-	-	28477.14
10.	Segment Liabilities	-	-	-	-	28477.14
11.	Capital Expenditure	-	-	-	-	-
12.	Depreciation	1.75	322.93	-	-	324.68

#### B) SECONDARY SEGMENT

The company caters all over the country

### IV. 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.

**V. 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 focusing 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.

**VI. 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/ SEBI (LODR) 2015. 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. CORPORATE IMAGE BUILDING:**

Sturdy continued with the corporate image building initiatives in 2018-19 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 Suvidha 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.

#### **IX. 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. 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.

#### **X. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's Structure, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates/ would operate, changes in the Government regulations, tax laws and other statutes and other incidental factors.

**FOR & ON BEHALF OF THE BOARD**

**DATE: 03.09.2019**

**PLACE: Parwanoo**

Sd/-	Sd/-
<b>(MOHAN LAL GUPTA)</b>	<b>(RAMESH GUPTA)</b>
<b>(MANAGING DIRECTOR)</b>	<b>(WHOLE TIME DIRECTOR)</b>
<b>(DIN NO. 00161184)</b>	<b>(DIN NO. 00161363)</b>

## INDEPENDENT AUDITOR'S REPORT

To the Members of Sturdy Industries Limited.

### Report on the Financial Statements as per Ind AS

We have audited the accompanying standalone financial statements of **Sturdy Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, Statement of change in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 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 March 31, 2019, and its loss, and its cash flows for the year ended on that date.

#### Basis of Qualified Opinion

***a.) Attention is invited to Note No 2 of the financial statements in respect of Property, Plant and Machinery and Equipments and depreciation on assets thereon. The company has already booked depreciation amounting to Rs. 4.51 Cr upto 31/12/2018. During the current quarter the company has re-accessed the life of plant and machinery through Chartered Engineer, as per his certificate dated 09/03/2019 the management of the company has taken the accessed useful life of plant and machinery to 35 Years against 25 Years as specified in part 'C' of Schedule II of the companies Act 2013, as result of which depreciation for the current Quarter ending 31<sup>st</sup> March 2019 is Negative to the extent of Rs 1.26 Crs and as a result of this readjustment in useful life of plant and machinery, depreciation and Net Block has been adjusted accordingly which has resulted in increase in the net profit to the extent 1.26 Cr for the year.***

***b.) Attention is invited to Note No.9 of the financial statements in respect of Short Term Loan and Advances amounting to Rs. 1243.77 Lacs shown as recoverable in respect of Claims to be received on account of subsidy/incentives/other Govt. claims, out of which Rs. 1019.67 Lacs has been considered as income during the year (Refer note 22 of financial statements), although the same has not been acknowledged by the concerned departments and right to receive has not been established. Hence profit to that extent has been overstated in financial statements.***



**Our opinion is not modified in respect of these matters.**

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects of the matter described in basis for Qualified opinion paragraph above***, the aforesaid standalone 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 March 31, 2019 and its **loss** and its Cash Flow for the year ended on that date.

**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of the most significant in our audit of the standalone financial statements of the current period. These matters addressed in the contest of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our report addressed the Key audit matter.</b>
<p><b>1.Change in useful life and residual value of Plant and machinery.</b></p> <p>As at March 31, 2019, the company has a gross block of Rs. 8372.30 Lacs in plant and machinery which constitute 69.36% of the property, plant and equipments ( Refer Note 2 of the financial statements)</p> <p>In the current year, the company has revised the useful life of the plant and machinery. Assessment of the useful life of plant and machinery in an integrated and complex plants involves management judgment, consideration of historical experience, anticipated technological changes.</p> <p>Accordingly, it has been determined as Key Audit matter.</p>	<p>Our Audit Procedure include the following:-</p> <ul style="list-style-type: none"> <li>➤ Assessment of useful life of plant and machinery determined by external expert i:e Chartered Engineer and has relied upon his certificate.</li> <li>➤ Examining the useful economic life and residual value with reference to companies historical experience, technical evaluation by third party and our understanding of future utilization of assets by the company.</li> <li>➤ Review of disclosure made by the company in the financial statements in this regard.</li> <li>➤ Assessing whether the impact on account of changes has been appropriately recognized in the financial statements.</li> </ul>

<p><b>2.Evaluation of Uncertain tax positions</b></p> <p>The Company is having tax jurisdiction in Delhi region and is subject to periodic challenges by the local tax authorities on the rage of tax matters during the normal course of business. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having impact on related accounting and disclosures in the standalone financial statements.</p> <p>Refer Para 7 ( c) of CARO.</p>	<p>Our audit procedure include the following substantive procedures;-</p> <ul style="list-style-type: none"> <li>➤ Obtained understanding of key uncertain tax positions; and</li> <li>➤ We along with company tax experts:-           <ol style="list-style-type: none"> <li>a) Read and analyzed select key correspondences, consultation by the management with the external tax professionals working on key uncertain tax positions.</li> <li>b) Discussed with the appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions if any to be made; and</li> <li>c) Assessed management’s estimate of the possible outcome of the disputed cases;</li> </ol> </li> </ul>
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**Emphasis of Matter**

**a)Attention is invited to Note No. 4 of the financial statements in which the company has outstanding from Govt. Departments in shape of various claims amounting to Rs. 1139.37 Lakhs and advance to other parties amounting to Rs. 704.35 Lakhs which are outstanding since long for which the company has not made any provision as the management considers it as good as recoverable.**

**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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standard Ind AS specified under Section 133 of the Act, read with the provision of the Companies ( Indian accounting Standards) Rules, 2015 as amended . This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the company ability to continue as a going concern disclosing as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Those board of directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirement's**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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 the paragraph 3 and 4 of the Order, to the extent applicable.
  
2. As required by section 143(3) of the Act, we report that:-
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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) Except for the effects of the matter described in the basis for Qualified opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rules,2014;
  
  - e)The matters described in the basis for Qualified Opinion paragraph and Emphasis of matter paragraph above, in our opinion, can adversely affect the functioning of the company.
  
  - f) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

g)The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure "B and

i) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors)Rules, 2014 in our opinion and to the best of our information and according to explanations given to us:

i. The Company has not disclosed the impact of pending litigations in its financial statements with respect to suits on or by the company in respect of suits filed by the company for acquisition of properties or recovery of advances as referred to in note 5.1 and 5.2 of the financial statements.

ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There no amounts which required to be transferred, to the Investor Education and Protection Fund by the company.

**FOR K SINGH &ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm No. 012458N**

Sd/-

**Kultar Singh**  
**Partner**  
**Membership No. 091673**  
**PLACE: Chandigarh**  
**DATED:30/05/2019**

**Annexure- A to the Independent Auditors' Report**

Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date. We report that:

1.(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the company immovable properties in its name. the title deeds of immovable properties are held in the name of the company.

2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. According to information and explanations given to us, the company has not granted unsecured loan to parties covered under section 189 of the companies Act. 2013 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. The company has not given any loans to directors or to any other persons in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by him or such person as covered under section 185 of the Companies act 2013

5 The Company has not accepted deposits. Hence the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.

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, prime facie the prescribed cost records have been made and maintained. We have, however, not made detailed examination of the cost records with view to determining whether they are accurate of complete.

7.(a) Based on our audit procedures and on the information and explanations given by the management, and on the basis of our examination of records of the company amount deducted /accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, GST, Custom Duty, and any other statutory dues with the appropriate authorities,

b) According to the information and explanation given to us, no undisputed amount payable in respect above were in arrears as at 31/03/2019 for a period of more than six months from the date they become payable.

c) Detail of dues of Excise Duty which have not been deposited as on 31/03/2019 on account of dispute are given below:

Name of the Statute ( Nature of Dues)	From where Dispute is pending	Period to which the amount relates	Amount Involved(Rs in Lacs)
Central Excise Act	Tribunal	2010-11	13.00
	Tribunal	2004-05 to 2013-14	202.28
	Commissioner	2014-15	77.71

8. Based upon the audit procedures performed and the information and explanations given by the management. The Company has defaulted in the repayment of dues to banks .The period and amount of default lender wise is appended:

Particulars	Amount of default as the balance sheet date	Period of default	Remarks, if any
1) Name of lenders: Punjab National Bank	21687.17 Lacs	January,18 to 31st March 2019	Resolution plan has been submitted to the bank for repayment of loan and matter is under consideration.

9. Based upon the audit procedures performed and the information and explanations given by the management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, therefore, the provisions of para 3(ix) of the Order is not applicable to the Company.

10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. The Company has paid any managerial remuneration during the financial year ending 31<sup>st</sup> March 2019 however the company has sought the necessary approval and mandated as per the provisions of section 197 read with schedule V of the Companies Act 2013.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, therefore, the provisions of para 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him, therefore, the provisions of para 3(xv) of the Order is not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR K SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm No. 012458N**

Sd/-  
**Kultar Singh**  
Partner  
Membership No. 091673

**PLACE: Chandigarh  
DATED: 30/05/2019**



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

We have audited the internal financial controls over financial reporting of Sturdy Industries Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, 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 ICAI.

**forK Singh & Associates**

*Chartered Accountants*

Firm's Registration Number: 012458N

Sd/-

**CA. KultarSingh**

*Partner*

Membership Number: 091673

Place of Signature: New Delhi

Date: 30<sup>th</sup> May, 2019

**STURDY INDUSTRIES LIMITED - BADDI H.P.**  
**CIN:L25209HP1989PLC009557**  
**Balance Sheet as at 31st March, 2019**

(All Amount in INR Lakhs, unless otherwise stated)

Assest	Notes	31-Mar-2019	31-Mar-2018	31-Mar-2017
<b>Non-Current Assests</b>				
(a) Property, Plant and Machinery and Equipment	2	5,852.18	6,170.65	6,813.36
(b) Capital Work in Progress	2	163.82	106.84	99.68
(c) Goodwill				
(d) Other intangible Assets		76.40	76.40	76.40
(e) Intangible assets under development		-	-	-
(f) Financial Assets		-	-	-
(i ) Investment	3	31.07	31.07	31.07
(ii) Loans	4	2,260.42	1,339.13	1,561.59
(iii) Other financial Assets				
<b>Total Non Current Assets</b>		<b>8,383.88</b>	<b>7,724.08</b>	<b>8,582.08</b>
<b>Current Assets</b>				
(a) Inventories	5	3,323.67	2,932.17	4,345.32
(b) Financial Assets		-	-	-
(i) Investment		-	-	-
(ii) Trade receivable	6	14,296.28	17,344.74	17,604.24
(iii) Cash and Cash equivalents	7	67.11	97.02	79.12
(iv) Bank balances other than (iii) above	8	797.49	649.04	799.51
(v) Loans	9	1,607.64	1,448.17	1,827.02
(vi) Other financial Assets		-	-	-
(c) Other current Assets	10	1.07	1.61	2.15
<b>Total Current assets</b>		<b>20,093.25</b>	<b>22,472.74</b>	<b>24,657.35</b>
<b>Total Assets</b>		<b>28,477.13</b>	<b>30,196.83</b>	<b>33,239.44</b>

Significant Accounting Policies & Notes to **1-28**  
 Financial Statements

**AUDITOR' REPORT**

as per our separate report of even date annexed hereto

for K.SINGH & ASSOCIATES.

**CHARTERED ACCOUNTANTS,**  
**Firm Registration No 012458N**

Sd/-  
**CA Kultar Singh**  
**PARTNER**  
**Membership No 091673**  
**Dated : 30/05/2019**  
**Place: Chandigarh**  
**(Annual Report 2018-19)**

AMIT BHATTI  
**C.F.O**

GURWINDERSINGH  
 C.S  
 M.NO A52827

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

Sd/-

Sd/-

RAMESH GUPTA  
 DIRECTOR  
 DIN-0161363

AMIT GUPTA  
 DIRECTOR  
 DIN-0161417

**STURDY INDUSTRIES LIMITED - BADDI H.P.**
**CIN:L25209HP1989PLC009557**
**Balance Sheet as at 31st March, 2019**

<b>EQUITIES AND LIABILITIES</b>	<b>Notes</b>	<b>31-Mar-2019</b>	<b>31-Mar-2018</b>	<b>31-Mar-2017</b>
<b>1. Equity</b>				
(a) Equity Share Capital	11	3,225.07	3,225.07	3,225.07
(b) Other Equity		0.00	0.00	0.00
		0.00	0.00	0.00
Equity component of compound financial instruments		0.00	0.00	0.00
Reserves and surpluses	12	-6,832.54	-5,012.26	-2,854.82
Other reserve		3,715.46	3,700.56	3,700.56
<b>Total Equity</b>		<b>108.00</b>	<b>1,913.37</b>	<b>4,070.82</b>
<b>2. LIABILITIES</b>				
<b>i. Non-current Liabilities</b>				
Financial Liabilities				
(i) Long Term Borrowings	13	9,885.37	9,918.45	8,945.50
(ii) Other Financial Liabilities	14	3,276.80	3,277.81	4,607.51
Long Term Provisions	15	8.38	8.38	8.38
Employee Benefits Obligations	16	58.37	56.25	62.33
Deferred Tax Liabilities	17	163.95	363.02	726.56
Governments grants		-	-	-
Other non Current Liabilities		-	-	-
<b>Total Non current Liabilities</b>		<b>13,392.87</b>	<b>13,623.91</b>	<b>14,350.28</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Short Term Borrowings	18	11,801.79	12,461.33	9,470.27
Trade Payable	19	3,144.09	2,122.60	4,203.25
Other Financial Liabilities		0.00	0.00	1,106.00
Short Term Provisions	20	30.38	75.62	38.82
Employee Benefits Obligations		5.92		
Deferred Tax Liabilities				
<b>Total Current Liabilities</b>		<b>14,976.27</b>	<b>14,659.54</b>	<b>14,818.34</b>
<b>Total Liabilities</b>		<b>28,369.14</b>	<b>28,283.46</b>	<b>29,168.62</b>
<b>Total equity and liabilities</b>		<b>28,477.14</b>	<b>30,196.83</b>	<b>33,239.44</b>

Significant Accounting Policies & Notes to **1 to 28**  
Financial Statements

**AUDITOR' REPORT**

as per our separate report  
of even date annexed hereto

for K.SINGH & ASSOCIATES

**CHARTERED ACCOUNTANTS,**  
**Firm Registration No 012458N**

Sd/-

**CA Kultar Singh**  
**PARTNER**  
**Membership No 091673**  
**Dated : 30/05/2019**  
**Place : Chandigarh**

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

Sd/-  
**(RAMESH GUPTA)**

DIRECTOR  
DIN-0161363

Sd/-  
**(AMIT GUPTA)**

DIRECTOR  
DIN-0161417

Sd/-  
**(AMIT BHATTI)**  
C.F.O

Sd/-  
**(GURWINDER SINGH)**  
COMPANY SECRETARY  
M.NO. A52827

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

**CIN:L25209HP1989PLC009557**

**Statement of Profit and Loss for the year ended 31st March, 2019**

	Notes	31-Mar-2019	31-Mar-2018
<b>Continuing Operations</b>			
Revenue from Operations	21	18,524.81	21,006.37
Other Income	22	1,021.84	2,212.41
Total Income		19,546.65	23,218.78
<b>Expenses</b>			
Cost of material consumed	23	11,216.56	19,600.20
Purchases of stock in trade		6,339.46	0.00
Change in inventories of Finished goods	24	-501.70	1,808.72
Excise Duty		0.00	0.00
Employee benefits expenses	25	356.25	342.06
Depreciation and amortisation	26	324.68	601.70
Impairment of goodwill and other non-current assets		0.00	0.00
Other Expenses	27	1,614.28	3,034.46
Finance Costs	28	596.58	346.02
<b>Total Expenses</b>		19,946.11	25,733.18
Profit before exceptional items		-399.47	-2,514.39
Extraordinary Items		-1,625.75	
Profit before tax		-2,025.22	2,514.40
Income Tax expenses			
Current Tax		0.00	0.00
Deferred Tax		-199.07	-363.54
Total Tax expenses		-199.07	-363.54
Other Comprehensive Income/Loss			
<b>Items that will no reclassified to Profit and Loss</b>			
Remesurement of defined benefits obligations		-5.74	22.79
Tax relating to these items		-1.08	-4.86
Other Comprehensive Income/Loss for the year		0.00	0.00
Net of Tax		-6.82	17.93
<b>Total Comprehensive Income for the year</b>		<b>-1,832.97</b>	<b>-2,132.93</b>
Earning per equity Share			
:- Basic earning per Shares		0.00	0.00
:- Diluted earning per Shares		0.00	0.00

Significant Accountng Policies & Notes to Financial **1-28**  
Statements

(Annual Report 2018-19)

**AUDITOR' REPORT**

as per our separate report  
of even date annexed hereto  
for K.SINGH & ASSOCIATES

**CHARTERED ACCOUNTANTS,  
Firm Registration No 012458N**

Sd/-

**CA Kultar Singh**

**P A R T N E R**

**Membership No 091673**

**Dated : 30/05/2019**

**Place : Chandigarh**

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

Sd/-

**(RAMESH GUPTA)**

**DIRECTOR**

**DIN-0161363**

Sd/-

**(AMIT GUPTA)**

**DIRECTOR**

**DIN-0161417**

Sd/-

**(AMIT BHATTI)**

**C.F.O**

Sd/-

**(GURWINDER SINGH)**

**COMPANY SECRETARY**

**M.NO. A52827**

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

**Statement of Change in Equity**  
**Note 11 : Equity Share Capital**

Particulars				
As at April 01,2018			3,225.07	
Change in equity share capital			-	
As at March 31, 2019			3,225.07	
Change in equity share capital			-	
Equity Shares of Rs 2/- each fully paid up issued during the year			3,225.07	
			-	
As at March 31,2019			3,225.07	

**Note 11 : Other Equity**

Particulars	Securities	General	Revaluation	Subsidy	Retained
	Premium Account	Reserve	reserve		Earning
Balance As at April 01, 2018	696.36	164.39	1,432.86	1,406.96	-5,005.20
Profit for the year					
Other Comprehensive Income					
Total comprehensive Income for Year					
Others					
Balance As at March 31,2019	696.36	164.39	1,432.86	1,406.96	-5,005.20
Profit for the year					-1,832.97
Other Comprehensive Income					5.74
Total comprehensive Income for the year					-0.11
Other					
Balance As at March 31,2019	696.36	164.39	1,432.86	1,406.96	-6,832.54

Significant Accounting Policies **1**  
Notes to Accounts & Accounting Policies **2 to 25**  
The Accompanying notes are integral part of these Financial Statements



**AUDITOR' REPORT**

as per our separate report  
of even date annexed hereto  
for K.SINGH & ASSOCIATES

**CHARTERED ACCOUNTANTS,  
Firm Registration No 012458N**

Sd/-  
**CA Kultar Singh  
P A R T N E R  
Membership No 091673**

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

Sd/-  
(RAMESH GUPTA)  
**DIRECTOR  
DIN-0161363**

Sd/-  
(AMIT GUPTA)  
**DIRECTOR  
DIN-0161417**

Sd/-  
(AMIT BHATTI)  
**C.F.O**

Sd/-  
(GURWINDER SINGH)  
**COMPANY SECRETARY  
M.NO. A52827**

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

**Note 2 Fixed Assets**

**(a) Property, Plant and Machinery and Equipment**

Particulars	Gross Block		Accumulated Depreciation					Net Block	
	Balance as at 1 April 2018	Additions/ (Disposals) Subsidy	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciated on charge for the year	Balance as at 31 March 2019	Transfer To Reserve and Surpluses	Balance as at 31 March 2019	Balance as at 31 March 2018
Tangible Assets (Not Under Lease)									
Land	1556.65	0.00	1556.65	0.00	0.00	0.00	0.00	1556.65	1556.65
Building	1783.30	0.00	1783.30	964.64	66.38	1031.02	0.00	752.28	818.66
Plant & Machinery	8366.09	6.21	8372.30	4577.20	256.67	4833.78	10.76	3527.76	3778.12
Furniture & Fixture	36.18	0.00	36.18	29.98	0.47	30.45	3.44	2.28	2.76
& Other Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle	321.13	0	321.13	266.35	1.26	267.62	40.31	13.20	14.47
<b>Total</b>	<b>12063.35</b>	<b>6.21</b>	<b>12069.56</b>	<b>5838.18</b>	<b>324.68</b>	<b>6162.87</b>	<b>54.52</b>	<b>5852.18</b>	<b>6170.65</b>
<b>Previous Year</b>	<b>12104.35</b>	<b>-41</b>	<b>12063.35</b>	<b>5236.48</b>	<b>601.70</b>	<b>5838.18</b>	<b>54.52</b>	<b>6170.65</b>	<b>6813.36</b>
Capital Work in Progress	106.84	56.98	163.82	0.00	0.00	0.00	0.00	163.82	106.84
<b>Total</b>	<b>106.84</b>	<b>56.98</b>	<b>163.82</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>163.82</b>	<b>106.84</b>
<b>Previous Year</b>	<b>99.68</b>	<b>7.16</b>	<b>106.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>106.84</b>	<b>99.68</b>

\*During the current Quarter the Company has re-accessed the life of Plant and Machinery through chartered engineer, as per his certificate dated 09/03/2019, the Management of the company has taken the accessed life of Plant and Machinery to 35 Years against 25 Years as specified in part C of Schedule II of the companies Act 2013.

**Note 3 Non Current Investment**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>A Trade Investments (Refer A below)</b>		
(b) Investment in Equity instruments	20.07	20.07
(f) Investments in Mutual Funds	1.00	1.00
(h) Other non-current investments (specify nature)	10.00	10.00
<b>Total (A)</b>	<b>31.07</b>	<b>31.07</b>
<b>B Other Investments (Refer B below)</b>		
(h) Other non-current investments (specify nature)	0.00	0.00
<b>Total (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B)</b>	<b>31.07</b>	<b>31.07</b>
Less : Provision for dimunition in the value of Investments	0.00	0.00
<b>Total</b>	<b>31.07</b>	<b>31.07</b>

Particulars	As at 31 March 2019	As at 31 March 2018
Aggregate amount of quoted investments at Market Price	15.00	70.01
Aggregate amount of unquoted investments	39.00	39.00
<b>Total</b>	<b>54.00</b>	<b>109.01</b>

**Note 4 Long Term Loans and Advances**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>a. Security Deposits /Earnest Monies</b>		
Unsecured, considered good	416.70	423.06
ii) Balance with Govt Authorities and Claim Recoverable	1,139.37	916.07
iii) Advance to Others	704.35	-
<b>Total</b>	<b>2,260.42</b>	<b>1339.13</b>

**Note 5 Inventories**

Particulars	As at 31 March 2019	As at 31 March 2018
a. Raw Material (Valued at Cost or Market Price whichever is less)	1,611.20	1728.73
b. Finished Goods (Cost or Market Price Whichever is less)	1,681.65	1179.95
e. Store & Spare (Cost or Market Price Whichever is less)	18.37	8.95
f. Packing Material (Cost or Market Price Whichever is less)	12.45	14.55
<b>Total</b>	<b>3,323.67</b>	<b>2932.18</b>

**Note 6 Trade Receivable**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	4652.73	6695.04
Less: Provision for doubtful debts		
	4652.73	6695.04
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	10454.96	12482.82
Less: Provision for doubtful debts	811.41	1833.12
	9643.55	10649.70
<b>Total</b>	<b>14296.28</b>	<b>17344.74</b>

**Note 7 Cash and Cash equivalents**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
*. Cash in hand	67.11	97.02
	-	
<b>Total</b>	<b>67.11</b>	<b>97.02</b>

**Note 8 Bank balances other than Cash**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
-		
a. Balances with banks	78.29	12.87
b. In Fixed Deposit	719.20	636.17
<b>Total</b>	<b>797.49</b>	<b>649.04</b>

**Note 9 Short-term Loans and Advances**

<b>Particulars</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>a. Others (specify nature)</b>		
Unsecured, considered good		
i) Advance Tax/TDS	11.3	6.94
ii) Balance with Excise, & Others Govt Authorities	1206.46	785.76

III) Staff and Others	37.31	30.13
IV ) Prepaid Expenses	41.14	51.17
v) Advances to suppliers	311.60	574.17
<b>Total a+b</b>	<b>1607.64</b>	<b>1448.17</b>

**Note10 Others Current Assests ( Specify Nature)**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
Tools and Dies	1.61	2.15
Less: Written off	0.54	0.54
<b>Total</b>	<b>1.07</b>	<b>1.61</b>

**Note 13 Borrowings**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
<b>Secured</b>		
<b>(a) Term loans from Banks</b>		
(of the above, ` 100 % is guaranteed by Directors and Promoters / Others )	9885.37	9918.45
<b>Total</b>	<b>9885.37</b>	<b>9918.45</b>

**Note14 Other Financial Liabilities**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
<b>Unsecured</b>		
<b>(a) Term Loan</b>		
from Corporates	3276.80	3277.81
<b>Deposits</b>	0.00	0.00
<b>Total</b>	<b>3277.81</b>	<b>3277.81</b>

**Note 15 Long Term Provisions**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
Securities Deposit	8.38	8.38
<b>Total</b>	<b>8.38</b>	<b>8.38</b>

**Note 16 Employee Benefits Obligations**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
Gratuity (unfunded), Leave Encashment	58.37	56.25
<b>Total</b>	<b>66.75</b>	<b>60.81</b>

**Note 17 Deferred Tax Liabilities**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
Opening Balance	363.02	726.56
Add/Less : During the Year	-199.07	-363.54
<b>Total</b>	<b>163.95</b>	<b>363.02</b>

**Note 18 Short Term Borrowings**

<u>Particulars</u>	As at 31 March 2019	As at 31 March 2018
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
Working Capital Limits From Banks	11801.79	12461.06
(Secured By Hyp.of Stocks and Book Debts both Present and Future)		
(of the above, ` 100 % is guaranteed by Directors and Promoters / Others )		
-	11801.79	12461.06
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>		
1. Period of default	0.00	0.00
2. Amount	0.00	0.00
<b>Unsecured</b>		
<b>(a) Loans repayable on demand</b>		
ICICI Bank for Balco Channel Financing	0.00	0.27
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>		
1. Period of default	0.00	0.00
2. Amount	0.00	0.00
<b>Total</b>	<b>11801.79</b>	<b>12461.33</b>

**Note 19 Trade Payables**

<u>Particulars</u>	<u>As at 31 March 2019</u>	<u>As at 31 March 2018</u>
Sundry Creditors	3144.09	2122.60
Advances from Customers	0.00	0.00
<b>Total</b>	<b>3144.09</b>	<b>2122.60</b>

**Note 20 Short Term Provisions**

<u>Particulars</u>	<u>As at 31 March 2019</u>	<u>As at 31 March 2018</u>
<b>(a) Provision for employee benefits</b>	16.99	15.18
<b>(b) Current maturities of long-term debt</b>		
Punjab National Bank - Term Loans	0.00	0.00
<b>(c) Others</b>	0.00	0.00
T.D.S. Payable	0.41	4.06
Reverse Charges Payable	0.59	1.68
AGT	0.67	0.86
Audit Fee Payable	2.00	2.00
GST Payable	0	40.72
CST Payable	0.00	0.00
Electricity and Water Charges	9.72	7.89
<b>Total</b>	<b>30.38</b>	<b>72.38</b>

**Note 21 Revenue from Operations**

<u>Particulars</u>	<u>As at 31 March 2019</u>	<u>As at 31 March 2018</u>
a. Sale of products;	18524.81	24055.93
b. Job Work	0.00	0.00
<u>Less:</u>		
Excise duty.	0.00	3049.56
<b>TOTAL</b>	<b>18524.81</b>	<b>21006.37</b>

**Note 22 Other Income**

<u>Particulars</u>	<u>As at 31 March 2019</u>	<u>As at 31 March 2018</u>
Incentive and Discounts	1021.84	882.64
Others	0.00	1329.77
<b>Total</b>	<b>1021.84</b>	<b>2212.41</b>

**Note 23 Cost of Material Consumed**

<u>Particulars</u>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b><u>1. Raw Material</u></b>		
Opening Stocks of Raw Materials	1728.73	1326.10
ADD : Raw Material Purchased	11066.50	20613.35
ADD: Stock in Transit	0.00	0.00
Add: Stock Transfer Inward	2722.93	1192.79
Less: Transfer Outward	-2755.82	-1946.60
Closing Stocks of Raw Material	1611.20	1728.73
Cost of Raw Material Consumed (a)	11151.14	19456.91
<b><u>2. Store and Spares</u></b>		
Opening Stock	8.95	7.31
Add: Purchases	42.61	30.87
Less: Closing Stock	18.37	8.95
Consumption of Stores and Spare (b)	33.19	29.23
<b><u>3. Packing Material</u></b>		
Opening Stock	14.55	23.25
Add: Purchases	30.13	105.36
Less: Closing Stock	12.45	14.55
Consumption of Packing Material (c)	32.22	114.06
<b>Total (a+b+c)</b>	<b>11216.56</b>	<b>19600.20</b>

**Note 24 Change In Inventories**

<u>Particulars</u>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(a) Opening Stocks of Finished Goods	1179.95	2988.67
(b) Closing Stocks of Finished Goods	1681.65	1179.95
<b>Change In Inventories</b>	<b>-501.70</b>	<b>1808.72</b>

**Note 25 Employee Benefits Expenses**

<u>Particulars</u>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Salaries And Wages	248.05	245.34
Labour Welfare	8.28	8.90
E.S.I	4.22	3.77
Compensation to Employee	3.29	10.15
Director Remuneration	72.00	54.00
Provident Fund	11.94	12.46
Gratuity	8.47	3.25
<b>Total</b>	<b>356.25</b>	<b>337.87</b>



**Note 27 Other Expenses**

<u>Particulars</u>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>A . Manufacturing Expenses</b>		
Electricity & Water Charges	93.80	109.87
Freight and Cartage	196.69	155.70
Repair and Maintenance	0.00	0.00
Building	0.05	0.12
Plant and Machinery	56.16	36.23
Job Work	0.80	22.83
Wages	29.52	22.46
<b>Total - A</b>	<b>377.03</b>	<b>347.22</b>
<b>B . Administration Expenses</b>		
Printing & Stationery	2.60	2.17
Postage And Telegram	2.04	1.23
Telephone & Photostate	2.77	2.85
Vehicle Running And Maintenance	49.91	34.72
Travelling And Conveyance	27.83	22.66
Insurance Charges	10.58	10.93
Service Tax	0.00	2.94
Fees and Taxes	60.48	25.69
Audit Fee	3.21	2.42
Consultancy charges	19.56	24.34
Legal And Professional	13.04	20.11
Entry Tax	0.07	0.00
News Paper and Perodicals	0.03	0.02
General Expenses	4.40	2.22
Web Site Charges & Internet Expenses	0.02	0.00
Tender Expenses	0.37	0.09
Social Welfare charges	0.01	0.19
Packing charges	0.00	0.00
Written Off	0.05	1.18
Donation	0.43	0.39
Krishi Kalyan Cess	0.00	0.19
Lease Money	5.23	0.00
Tools and Dies Written off	0.54	0.54
<b>Total – B</b>	<b>204.27</b>	<b>154.89</b>

<b>C. Selling and Distribution Expenses</b>		
Freight & Cartage Out wards	164.93	78.50
Advertising & Publicity	0.61	0.95
Testing Charges	7.77	6.21
Business Promotion	16.79	4.91
Discount & Rebate	22.18	608.37
Services Tax	0.00	0.30
Commission On Sales	9.29	0.00
<b>Total - C</b>	<b>221.57</b>	<b>699.23</b>
<b>D. Provisions</b>		
Provision for Bad and Doubtful Debts	811.41	1833.12
<b>Total – D</b>	<b>811.41</b>	<b>1833.12</b>
<b>Total A + B + C+D</b>	<b>1614.28</b>	<b>3034.46</b>

**Note 28 Finance Cost**

<u>Particulars</u>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Bank Charges and Interest	596.58	346.02
<b>Total</b>	<b>596.58</b>	<b>346.02</b>

**STURDY INDUSTRIES LIMITED****Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS****1. STATEMENT SIGNIFICANT ACCOUNTING POLICIES.**

- A) **Corporate Information:** The Company is a Public Limited Company domiciled in India and incorporated under Companies Act, 1956, having its registered office at 21, Industrial Area Baddi Distt Solan (H.P), India and is Listed on BSE Limited. The Company is engaged in Manufacturing & Supplying of Sprinkler and Drip Irrigation Systems, Conductor and Cable and Trading of Polymers and Aluminium's. It has country wide network to cater its customers, It has Manufacturing facilities at Baddi (H.P) Guwahati ( Assam) and Parwanoo (H.P).

The Financial Statements for the year ended March 31, 2019 were approved and adopted by the Board of Director on 30/05/2019.

**B) Significant Accounting Policies****(i) Statement of compliance with Ind AS**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies ( Indian Accounting Standard) Rules, 2015 and other relevant provisions of the act.

**(ii) Basis of Preparation and presentation of Financial Statements**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual except for certain financial instruments which are measured at fair values. All assets and Liabilities have been classified as current or non-current based on normal operating cycles of business activities of the Company, which is 12 months.

**(iii) Use of Estimates**

The preparation of Financial Statements require management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(iv) Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Freehold land is not depreciated. The cost of an item of property, plant and equipment comprises its cost of purchase and any attributable cost of bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and

equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

**(v) Capital Work-in-Progress**

Property, Plant and Equipment under construction are disclosed as capital work in progress.

**(vi) Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

There are no intangible assets having indefinite useful life.

An intangible asset is derecognised upon disposal, or when no future economic benefits are expected to arise. Gains or losses arising from de-recognition upon de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**(vii) Depreciation and Amortisation**

Property, Plant and Equipment

Depreciation is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives.

The useful lives have been taken as specified by Schedule II to the Companies Act, 2013.

During the Current Quarter the Company has re-accessed the life of Plant and Machinery through Chartered Engineer, as per his certificate dated 09/03/2019, the Management of the company has taken the accessed life of Plant & Machinery to 35 Years against 25 Years as specified in part 'C' of Schedule II of the companies Act 2013.

**(viii) Impairment of Assets**

A tangible or intangible asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of tangible or intangible assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and impairment loss equal to the excess of the carrying amount over its recoverable value is recognised as an impairment loss and the same is charged to profit and loss account. The impairment loss, if any, recognised in prior accounting period is reversed if there is a change in estimate of recoverable amount.

**(ix) Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All the financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**(x) Financial assets**

**Classification and Measurement**

All the financial assets are initially measured at fair value. Transaction costs that are directly attributable to the financial assets (other than financial assets covered at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

All financial assets are subsequently measured either at amortised cost or fair value [either through other comprehensive income (FVTOCI) or through profit or loss(FVTPL)] depending on the classification of the financial assets as follows:

(a) Financial Asset measured at Amortised Cost: The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, loans to employees security deposits and other eligible current and non-current assets which are classified as financial assets carried at amortised cost.

(b) Financial Assets measured at fair Value through Other Comprehensive Income(FVTOCI): On initial recognition, the Company can make an irrevocable election(on an instrument-by-instrument basis) to present the subsequent change in fair value in other comprehensive income pertaining to investment in equity instrument. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transitional costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserve for equity instrument through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments as the same has been recognised in other comprehensive income.

(c) Financial Assets at Fair value through profit or loss(FVTPL): investment in equity instrument are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

**De-recognition of Financial Assets**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or the company has transferred the financial asset along with all the risks and rewards or has assumed an obligation to pay the received cash flows to a third party under a pass-through arrangement.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in profit or loss.

#### Impairment of Financial Assets

The company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected Credit Loss(ECL) is the difference between all contractual cash flows that are due in accordance with the contract and the cash flows expected to receive (i.e. all cash shortfalls)

**(xi) Financial Liabilities**

All the financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial liabilities.

Financial liabilities of a Company are contractual obligations to deliver cash or other financial assets to another entity. The company's financial liabilities include long term and short term borrowings, trade and other payables and other eligible current and non-current liabilities

**Classification measurement and De-recognition**

All recognised financial liabilities are subsequently measured at amortised cost. The company de-recognize financial liabilities when, and only when the Company's obligations are discharged, cancelled or have expired. Gain and losses are recognised in profit or loss when the liabilities are derecognised.

**(xii) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is a currently enforceable legal right to offset the recognised amount and there is an intension to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(xiii) Valuation of Inventory**

Inventories are valued at lower of cost and net realisable value after providing for non moving material, obsolescence wherever necessary. The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are carried in the balance sheet as follows

Inventory	Basis of Valuation
Raw materials, Packing materials, components	At lower of cost, and net realisable value
Work-in-progress	At lower of cost of material on weighted average basis, plus appropriate production overheads and net realisable value
Finished goods- Manufactured	At lower of cost of material on weighted average basis, plus appropriate

	production overheads and net realisable value
Finished goods- Trading	At lower of cost, on weighted average basis and net realizable value

**(xiv) Translation of Foreign Currency Transactions**

The Company's financial statements are presented in Indian Rupees (INR) which is Company's functional; and presentation currency. Transactions denominated in foreign currency are recognised at the rate of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at year end date. Exchange difference on monetary items is recognised in profit or loss in the period in which they arise. Income and expenses of foreign branch have been translated at the average rate for the year.

**(xv) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of manufactured and traded goods is recognised when significant risks and rewards of ownership of the goods are transferred to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Sales are disclosed net of returns and claims.

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured. Revenue from the maintenance contracts are recognised prorata over the period of contract.

Other operating revenues include sales tax remission, excise duty refund, GST refund and other export incentives and duty drawbacks, and recognised when the right to receive is established.

Other income include interest income, Dividend income, Gain on Foreign Exchange Fluctuation etc. Interest income accrued on a time basis by reference to the principal outstanding and the effective interest rate. Dividend income accounted in the period in which the right or receive the same is established.

**(xvi) Government Grants/Capital Subsidies**

Grants and subsidies from government are recognised when there is reasonable assurance that the grant or subsidy will be received and all the prescribed conditions will be complied with.

**(xvii) Borrowing Costs**

Borrowing cost directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for their intended use. All other borrowing costs are recognised as expense in the period in which they are incurred.

**(xviii) Dividends**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

**(xix) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year adjusted for bonus elements in equity shares issued during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the periods attributable to the equity shareholders by the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xx) Employee Benefits**

Short term Employee Benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus ex-gratia and performance linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

**Long term employee benefits**

Defined Contribution plans:

Contribution to the employee's provident fund, Employee's Pension Scheme and Employee's state Insurance are recognised as defined contribution plan and charged as expense during the period in which the employee performs the services.

Defined benefit plans:

Retirement benefit in the form of Gratuity is considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date.

Interest cost, Current Service cost and Past service cost are recognised in profit and loss account immediately. Re-measurement gain and losses arising due to change in actuarial assumptions and estimates are recognised directly in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and loss in subsequent periods.

**Other Long Term Employee Benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or encashed subject to restrictions on the maximum accumulation of leaves.



**Termination benefits:**

Termination benefits are recognised as an expense in the period in which they are incurred.

The employee benefits with regards to both Leave encashment and gratuity are unfunded.

**(xxi) Exceptional items**

An item of income or expense which by its side, type or incidence requires disclosure to in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

**(xxii) Taxes on Income**

**Current Tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and computed in accordance with the provisions of the relevant tax laws, outcome of past assessments/appeals and legal opinions sought by the company.

**Deferred Tax:**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amount for financial reporting purpose at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted substantively enacted at the reporting date

**Minimum Alternative Tax (MAT) credit:**

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax under the normal provisions during the specified period resulting in utilisation of MAT credit.

In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is credited by way of a credit to the statement or profit & loss and shown as MAT credit entitlement.

**(xxiii) Segment Reporting**

The company is engaged into manufacturing Sprinkler and Drip Irrigation Systems, Conductor and Cable and Trading of Polymers and Aluminium's. The Company has three reportable business segment identified by management namely Plastic Pipes and Fitting ,Aluminium and Trading.

**(xxiv) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involve substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but disclosed in the notes of financial statements. Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable. Provisions, contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability exist when there is a possible but not probable obligation, or a present obligation that may, but probable will not, an outflow of resources, or a present obligation whose amount cannot be estimated

reliably. Contingent liabilities do not warrant provisions, but are disclosed as a possibility of outflow of resources is remote.

**(xxv) Cash Flow Statements**

Statement of cash flow is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of changes during the period in inventories, operating receivables, payables, transactions of a non-cash nature such as depreciation, provisions, deferred tax, unrealised foreign currency gains and losses, and undistributed profits of associates and all other items for which the cash effects are investing or financing cash flows.

For the purpose of presentation in the statement of cash flow, cash and cash equivalents include cash in hand and balance held with banks.

**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. Contingent Liability not provided for in respects of :

	<b>Current Year</b>	<b>Rs in (Lacs) Previous Year</b>
Outstanding balance of Bank Guarantees	Rs 7418.25	Rs 7792.00

**3. Employee Benefits Obligations**

As per IND AS 19 " Employee benefits ", the disclosure as defined in the accounting are given below:-

I. The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	₹ in Lakhs	
	<u>Gratuity Plan</u>	
	As at March 31, 2019	As at March 31, 2018
Present Value of benefits obligation at the beginning of the period	44.60	70.37
Interest Cost	3.43	5.42
Current Service Cost	5.26	6.52
Past Service Cost	-	-
(Benefits Paid Directly by the Employer)	-	-
Actuarial (Gains)/losses on Obligation-Due to change in Financial Assumptions	--	(1.57)
Actuarial (Gains)/losses on Obligation-Due to change in Experience Adjustments	(4.44)	(21.23)
Present Value of Benefit Obligation at the end of the period	47.54	-

II. The amounts recognized in Balance Sheet are as follows:

Particulars	Gratuity Plan	
	<u>As at</u>	
	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	47.540	59.50
Fair value of plan assets at the end of the period	-	-
Funded Status (Surplus/Deficit)	47.54	59.50
Net(Asset/Liability) recognized in the Balance Sheet	47.54	59.50

III. The amount recognized in Statement of Profit and Loss are as follows:

Particulars	Gratuity Plan	
	<u>As at</u>	
	March 31, 2019	March 31, 2018

Current Service Cost	5.26	6.52
Net Interest Cost	3.43	5.42
Past Service Cost	-	-
Expenses to be recognized in Profit and Loss	8.69	11.94

IV. The amount recognized in Statement of other comprehensive income are as follows:

Particulars	Gratuity Plan	
	As at March 31, 2019	As at March 31, 2018
Actuarial (Gains)/Losses on obligation for the period	(4.44)	22.80
Return on Plan Assets, excluding Interest Income	-	-
Change in asset ceiling	-	-

Net(Income)/Expense for the period recognized in OCI

4 Balance of Unsecured Loans, Current Liabilities, Current Assets, Loans and Advances(Short and Long Term ) are subjects to confirmation and reconciliation from the respective parties and Departments.

6. 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.

7. Estimated amount of Contracts (for Hydro Project at Rohru) remaining to be executed on Capital Account and not provided for net of advances Rs163.82 Lacs(Previous Year Rs106.83 Lacs)

#### 8. Payments to Auditors.

	(Amount in Rs)	
	Current Year	Previous Year
a) Statutory Audit Fee	148125	148125
b) Tax Audit Fee	57500	57500
c) Other Services	14375	14375

9. Deferred Tax are recognized using the Balance Sheet approach for future tax consequence of temporary difference between the carrying value of assets and liabilities and their respective tax bases.

### 10. Segment Reporting

Disclosure as required as under IND AS 108-Operating segments

#### Primary Segment

The Company's primary segment are Aluminum Conductor Pipes & Fitting, Irrigation System, & 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	Manufacturing) Plastic Pipes & Irrigations	(Manufacturing) Aluminum Division	Trading	Others	Total
<b>A. Primary Segment Information</b>					
Segments Revenue					
Sales	892.51	10131.84	7500.46	1021.84	19546.65
Total Revenue	892.51	10131.84	7500.46	1021.84	19546.65
Segments Result					
Interest					596.58
Profit/(Loss) before Tax					(399.47)
Extraordinary Items					(1625.75)
Provision For Current Tax					--
Profit/(Loss) after Tax					(2025.22)
Segments Assets					28477.14
Segments Liabilities					28477.14
Capital Expenditure					--
Depreciation	1.75	322.93	--	--	324.68

### B. Secondary Segment

The Company caters all over the country

### 11.Related Party Disclosure

As per IND AS 24, the disclosure of related party transaction 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

Key management personnel and Relative:

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

b) (i) Transaction with related parties

Amount in Lacs

Sr No	Particulars	31 <sup>st</sup> March ,2019	31 <sup>st</sup> March ,2018
1.	<b>Chemiplast Industries</b>		
	Goods Purchases	96.04	652.18
	Goods Sold	76.97	487.75
	Payments Received	27.82	231.14
	Payments Made	153.15	190.20
2	Shri M.L Gupta ( Director's Remuneration )	24.00	18.00
	Shri Ramesh Gupta ( Director's Remuneration )	24.00	18.00
	Shri Amit Gupta ( Director's Remuneration )	24.00	18.00

**(ii) PAYMENTS TO DIRECTORS**

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Salaries and Allowances</b>		
Shri M.L Gupta	24.00	18.00
Shri Ramesh Gupta	24.00	18.00
Shri Amit Gupta	24.00	18.00

<b>12.Expenditure in Foreign Currency</b>	<b>Current Year</b>	<b>Previous Year</b>
Capital Assets	--	--
Aluminum, Granules Etc	--	--
Others	\$ 1900.00	\$
<b>13. Earning in Foreign Exchange</b>	<b>\$4715531.00</b>	<b>\$ 3782066.44</b>
Non Resident Holders Etc,		
a) No of non resident shareholders	Nil	Nil
b) No of Share held by them	Nil	Nil

**14.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,

S.No	Particular	Year Ended 31.03.2019	Year Ended 31.03.2018
A)	Net Profit & (Loss ) after Tax	(1832.97)	-2132.93
B)	Weighted Average Number of Equity Share for basic EPS ( in Nos)	15,12,53,694	15,12,53,694
C)	Face Value per Share	2	2
D)	Basic EPS (Rs)	---	---
E)	Diluted EPS (Rs)	---	---

**15 Lease**

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

**16 Disclosure under Micro, Small, and Medium Enterprises Development Act,2006**

(Annual Report 2018-19)

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

17. Expenditure on employee in receipt of remuneration of not less than Rs. 108,00,000/- per annum, if employed throughout the year or 9,00,000/- per month Nil when employed for the part of the year.
18. Provision for doubtful debts has been made on an estimated basis keeping in view the likely shortfall on account of recovery from such debtors, after taking into account costs on account of recovery.
19. The company has initiated legal actions for recovery of debts from certain customers, suppliers which matter are before jurisdictional Courts, and action for recovery is being initiated against the customers too. The amount recoverable by the company from its debtors are considered good and recoverable and adjustment on account of unrecoverable amounts ,if any and the interest for delayed payments as claimed by the company will be effected in the year of final adjudication of claims of the company.
20. Valuation of slow moving closing stock of ACP unit and PVC Unit has been taken out on the basis of actual cost but market prices is less, hence actual realization will depend at the time of sale.
21. The company has initiated legal actions for recovery of debts from various customers and matters are before jurisdictional courts. Since the recoverable amount has become time barred and cannot be recovered in spite of all efforts and legal notice issued but no recovery is possible. Hence, the management has decided to write-off the amount of debts for which the provision has been provided in the books of account in the financial year 2017-18 amounting to Rs 1833.12 lacs and Rs 811.41 laces for the financial year 2018-19.

**For K.SINGH & ASSOICATES**  
**Chartered Accountants,**  
**Firm No 012458N**

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

Sd/-  
**(Kultar Singh)**  
**PARTNER**  
**M.No 091673**

Sd/-  
**Amit Bhatti**  
**(C.F.O)**

Sd/-  
**Gurwinder Singh**  
**(C.S)**  
**M.No A52827**

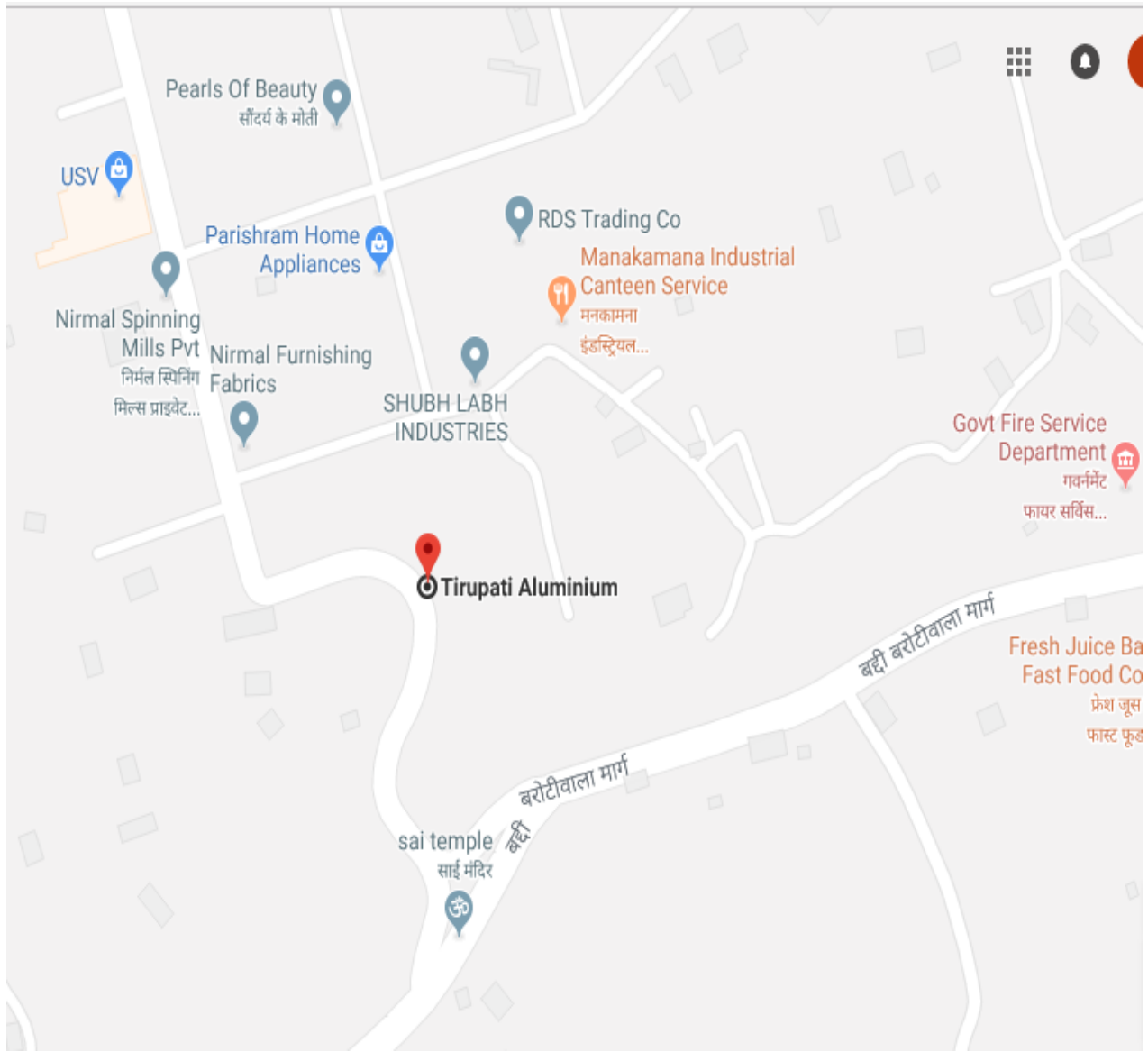
Sd/-  
**Ramesh Gupta**  
**(Director)**  
**DIN-0161363**

Sd/-  
**Amit Gupta**  
**(Director)**  
**DIN-0161417**

**Dated:-30/05/2019**  
**Place:-CHANDIGARH**

**ROUTE MAP TO THE VENUE OF 30<sup>TH</sup> AGM TO BE HELD ON 28.09.2019**

STURDY INDUSTRIES LIMITED (TIRUPATI ALUMINIUM), BADDI- BAROTIWALA MARG, BADDI





# STURDY INDUSTRIES LIMITED

(CIN-L25209HP1989PLC009557)

Regd. Office: - 21, INDUSTRIAL AREA, PARWANOO, BADDI, HIMACHAL PRADESH- 173205

Tel- 01792-232570, 232863-64, Fax- 232770, Email:-legalsturdy@gmail.com

Website: - [www.sturdyindustries.com](http://www.sturdyindustries.com),

## Form No. MGT-11

### Proxy form

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

**CIN:** L25209HP1989PLC009557  
**Name of the company:** STURDY INDUSTRIES LIMITED  
**Registered office:** 21, INDUSTRIAL AREA, PARWANOO, BADDI, HIMACHAL PRADESH-173205

Name of 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

1. Name :	Address :
E-mail Id :	Signature :

or failing him

1. Name :	Address :
E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual general meeting of the company, to be held on **SATURDAY, 28TH DAY OF SEPTEMBER 2019 AT 09.30 A.M.** at the registered office of the company at 21, INDUSTRIAL AREA, PARWANOO, BADDI, HIMACHAL PRADESH-173205 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	RESOLUTIONS
<b>ORDINARY BUSINESS</b>	
1	Ordinary Resolution for consideration and adoption of the Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2	Ordinary Resolution that Mr. Ramesh Gupta (DIN 00161363), Whole Time Director of the Company who retires by rotation and being eligible, offers himself for the re-appointment.
<b>SPECIAL BUSINESS</b>	
3	Ordinary Resolution for regularization of Additional Director Ms. PUSHPA DEVI
4	Ordinary Resolution for ratification of Remuneration of M/s Balwinder & Associates, Cost Accountant to act as Cost Auditor.
5	Special Resolution for approval of revision of remuneration of Sh. Mohan Lal Gupta, Managing Director of the Company.
6	Special Resolution for approval of revision of remuneration of Sh. Ramesh Gupta, Whole-Time Director of the Company.
7	Special Resolution for approval of revision of remuneration of Mr. Amit Gupta, Whole-Time Director of the Company.
8	Special Resolution for increase the Authorized Share Capital of the Company
9	Special Resolution to Issue 0.01 % Non-Convertible Redeemable Preference share of Rs. 114.60 Crore to Banker by Converting Unsustainable Debt
10	Special Resolution for Extension of redeemable preference share

Signed this \_\_\_\_ day of \_\_\_\_\_ 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue  
Stamp

***Note: This form of proxy in order to be effective should be duly Completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.***

# STURDY INDUSTRIES LIMITED

(CIN-L25209HP1989PLC009557)

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Website: - [www.sturdyindustries.com](http://www.sturdyindustries.com),

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the meeting.

<b>Name and Address of the Member</b>	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my Presence at the 30<sup>th</sup>Annual General Meeting of the **Sturdy Industries Limited** being held on **SATURDAY, 28<sup>TH</sup>DAY OF SEPTEMBER 2019 AT 09.30 A.M.** at the registered office of the company at 21, INDUSTRIAL AREA, PARWANOO, BADDI, HIMACHAL PRADESH-173205,at and at any adjournment thereof.

<b>Signature of the Shareholder</b>	<b>Signature of the Proxy</b>

- Note:** 1. The copy of Annual Report may please be brought to the Meeting Hall.  
2. Please note that no gifts will be distributed at the meeting.