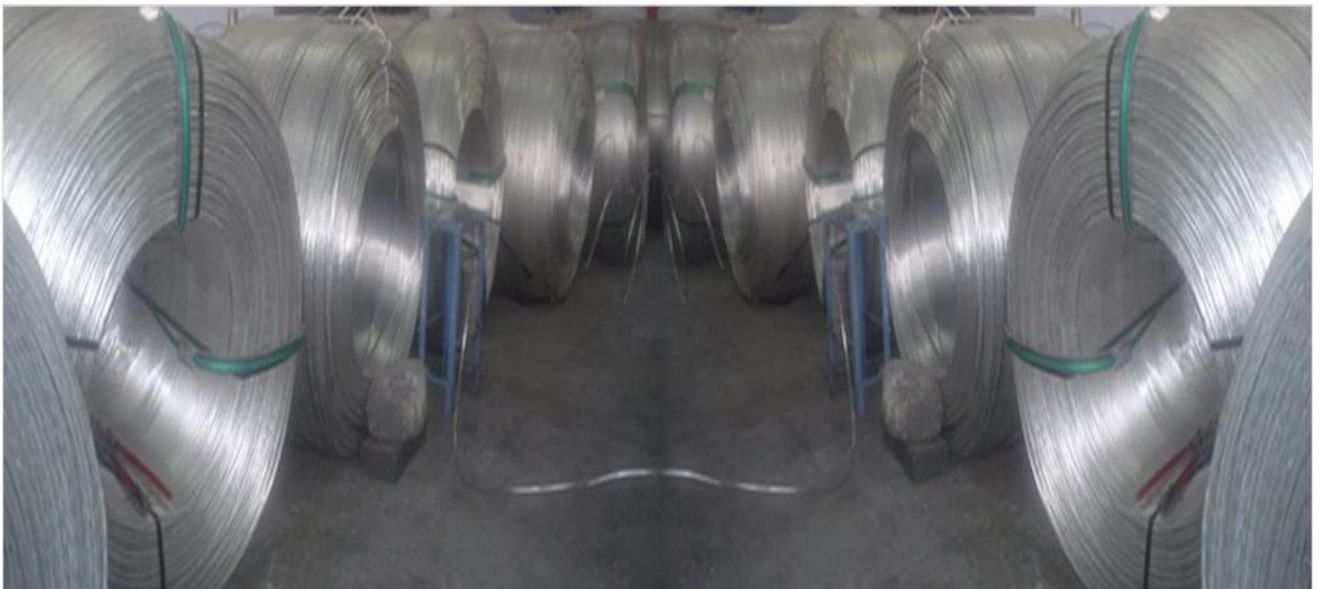
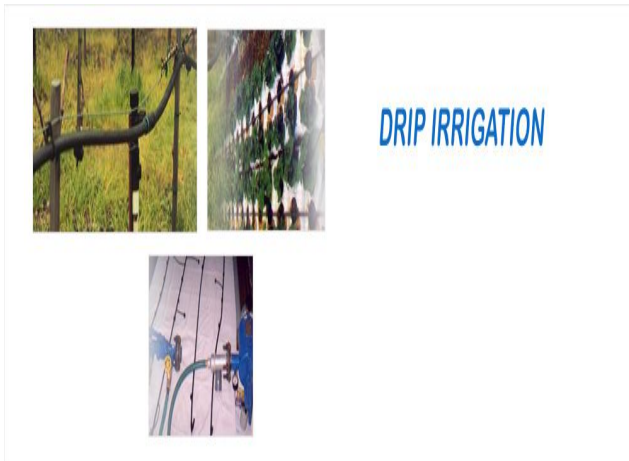


# STURDY INDUSTRIES LIMITED

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

### 2016-17





## **BOARD OF DIRECTORS**

Mr. Mohan Lal Gupta  
Mr. Ramesh Gupta  
Mr. Amit Gupta  
Mr. Deveinder Nath Sharma  
Mr. Ashok Omprakash Bhatia

Managing Director  
Whole Time Director  
Whole Time Director  
Independent Director  
Independent Director

## **WEBSITE**

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

## **STATUTORY AUDITORS**

B.M Verma & Co.  
Chartered Accountants  
Chandigarh

## **BANKERS**

Punjab National Bank  
Allahabad Bank

## **REGISTERED OFFICE**

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

### **Email**

[legalsturdy@gmail.com](mailto:legalsturdy@gmail.com)

## **REGISTRARS AND SHARE TRANSFER AGENTS**

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

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

## **LISTED**

Bombay Stock Exchange

## **SECRETARIAL AUDITORS**

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

### **ISIN Number**

INE134F01026

### **BSE SCRIP ID**

530611

## Contents

---

Notice to Members.....	1
Boards' Report.....	23
Report on Corporate Governance.....	47
Management Discussion Analysis Report.....	61
Auditor's Report.....	66
Balance Sheet.....	73
Statement of Profit & Loss.....	74
Notes to the Financial Statement.....	75
Cash Flow Statement.....	95
Route Map to the AGM Venue.....	98
Proxy Form.....	99
Attendance Slip.....	101

## NOTICE

Notice is hereby given that 28<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on Wednesday, the 20<sup>th</sup> day of September 2017 at 09.30 A.M. at Plot No. 21, Industrial Area, Baddi, Himachal Pradesh to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Balance Sheet as at 31<sup>st</sup> March, 2017, Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2017 for and reports of Board of Directors and Auditors thereon..
2. To appoint a Director in place of Sh. Ramesh Gupta (DIN 00161363), who retires by rotation and being eligible offers himself for the re-appointment.
3. To appoint statutory auditors of the company and fix their remuneration

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 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or reenactments thereof for the time being in force) M/s R K Deepak and Co, Chartered Accountants, Chandigarh (Firm Registration No. 003145N), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s B. M. Varma & Co., Chartered Accountants for a term of five years commencing from the Company's financial year April 1<sup>st</sup>, 2017 to hold office from the 28<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 33<sup>rd</sup> Annual General Meeting subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting on such remuneration plus applicable taxes, out-of-pocket expenses etc., as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including its Committee thereof and/or Mr. Ramesh Gupta, Whole Time Director be and is hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

## **SPECIAL BUSINESS**

### **4. TO RATIFY THE REMUNERATION TO THE COST AUDITOR**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Board of Directors, the remuneration payable during the year 2016 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 2016-17, at a remuneration amounting to Rs. 60000/- (Rupees Sixty Thousand) as also the payment of tax as applicable and re-imbusement of out of pocket expenses which may be incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed

### **5. To ratify re-appointment and fix the terms of appointment of Mr. Mohan Lal Gupta (00161184) as 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 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, 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 1st October, 2017 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** the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary proper or expedient to give effect to this resolution.”

6. **To ratify the re-appointment and fix the terms of appointment of Mr. Ramesh Gupta (00161363) as 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 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Ramesh Gupta be and is hereby reappointed as Whole time Director of the company for a period of Three years with effect from 1st October,2017 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** the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary proper or expedient to give effect to this resolution.”

7. **To ratify the re-appointment and fix the terms of appointment of Mr. Amit Gupta (00161417) as 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 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Amit Gupta be and is hereby reappointed as Whole time Director of the company for a period of Three years with effect from 1st October,2017 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** the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary proper or expedient to give effect to this resolution."

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

**TO ACCORD CONSENT FOR THE OFFLOADING OF 26% EQUITY SHARES ALLOTTED TO LENDING BANKERS PURSUANT TO THE INVOCATION OF SDR PACKAGE**

**RESOLVED THAT** subject to the applicable provisions of the Companies Act, 2013 read with Rules thereunder, if any and further to date amendments, notifications, relevant circulars thereof (hereinafter referred to as "the Act") and other applicable laws (including any statutory amendment (s), modification (s) and/ or re-enactment (s) thereof for the time being in force) and the provisions of Memorandum and Articles of Association of the Company as amended up to date and further subject to the Listing guidelines entered into by the Company with the BSE Limited where the equity shares of the Company are listed and also subject to the regulations issued by Securities and Exchange Board of India particularly the Issue of Capital and Disclosure Requirements Regulations, 2009 as may be modified or re-enacted from time to time (hereinafter referred as "SEBI (ICDR) Regulations"), the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 2011 (hereinafter referred as "SAST"), LODR and all other applicable regulations prescribed including, other applicable rules, notifications, guidelines and circulars issued by various authorities including but not limited to the Government of India, the Securities Exchange Board of India (hereinafter referred as "SEBI"), consent and approval of the shareholders of company be and is hereby accorded for the disinvestment or transfer by the Punjab national Bank and Allahabad Bank upto 26% Equity Shares, being 3,93,25,960 numbers, out of which 2,31,32,918 Equity shares (15.29 %) held by the Punjab National Bank and 1,61,93,042 Equity Shares (10.71%) held by Allahabad Bank in favour of M/s Greenway Advisors Private Limited (herein referred as Strategic Investor) as per the guidelines prescribed by the Reserve Bank of India under the Strategic Debt Restructuring (SDR) Scheme at such purchase price to be determined in accordance with guidelines specified by the Reserve Bank of India and such transaction for sale/purchase of equity shares shall be subjected to the agreement to be entered into between the Company, the lending Banks and the Strategic Investor.



"RESOLVED FURTHER THAT the said Equity Shares to be so acquired by the said Greenway Advisors Private Limited shall be subject to lock-in for a period as per the notification dated 14<sup>th</sup> August, 2017 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 2011 (hereinafter referred as "SAST"), as amended from time to time.

**By order of the Board**

PLACE: Baddi  
DATE: 25/08/2017

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

**NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 13<sup>th</sup> Day of September, 2017 to 20<sup>th</sup> Day of September, 2017 (both days inclusive)
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out detail relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they



are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.
7. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.sturdyindustries.com](http://www.sturdyindustries.com) for their download. The physical copies of the foresaid documents will also be available at the Company's Registered Office in Baddi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, **Sturdy Industries Limited**, the shareholders may also send requests to the Company's investor email id: **legalsturdy@gmail.com**
8. The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are furnished as under:-

Name of the Director	Sh. Ramesh Gupta	Sh. Amit Gupta	Sh. Mohan Lal Gupta
Date of Birth	14/09/1961	21/11/1978	11.08.1950
Date of Appointment	Since Incorporation	30.09.2003	Since Incorporation
Qualifications	Graduate	Graduate(Mech-Engineering), MBA	Post Graduate
List of other Indian Companies in which Directorship held	NIL	NIL	NIL
Chairman/Member of the Committee of	NIL	NIL	NIL

Board of other Companies			
Equity Shares held in the Company	67,27,501	3,45,850	38,20,216

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

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

- (i) The voting period begins on 17<sup>th</sup> September, 2017 at 09:00 AM and ends on 19<sup>th</sup> September, 2017 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday 13<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

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

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

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

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

(ix) Members holding shares in physical form will then directly reach 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 <Company Name> 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a 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.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - 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.
- (xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

### **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, for conducting the audit of cost records of the Company for the financial year ended March 31, 2016. Further in terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee/Board of Directors is proposed to be ratified by the Members of the Company. The Members may therefore, consider and if agreed ratify the appointment and remuneration payable to the Cost Auditors during the year 2016-17 as set out in the Resolution.

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

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

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

#### **Regarding re-appointment of Managing & Whole Time Directors**

**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** a 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 and 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**, a graduate 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.

The shareholders are also informed that the remuneration payable to the Managing Director and Whole Time Directors have also been approved by the remuneration committee. Thus in accordance thereof, it is proposed that the resolution mentioned under serial no. 5 to 7 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.

### **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>2015-16</b>	<b>2016-2017</b>
Revenue from Operations	423.73	398.58
Total Income	429.01	409.93
Total Expenditure	446.07	412.65
Profit/(Loss) of the Period before tax	-17.06	-2.72

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

Sr. No.	Name	Salary & Allowances
1	Mr. Mohan Lal Gupta	Rs. 18 Lac
2	Mr. Ramesh Gupta	Rs. 18 Lac
3	Mr. Amit Gupta	Rs. 18 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 for the year 2017.

4) Job Profile and his suitability: As described in the explanatory statement herein above.

5) Remuneration Proposed:  
Rs 1,50,000/- p.m. each(same)

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 both are the promoters' directors of the company therefore they all are directly interested in the business affairs of the company

#### **Item no. 8**

As the members are aware that since last more than one year, the management has been totally engrossed in restructuring by way of merger and debt restructuring as per the Scheme of SDR prescribed by the Reserve Bank of India. Both the above schemes have been completely implemented. M/s. Tirupati Aluminum Limited stands merged with the company and the shares issued/allotted to the company's Banker i.e Punjab National Bank and Allahabad Bank which as per the guidelines prescribed by the Reserve Bank of India under the Strategic Debt Restructuring (SDR) Scheme is required to be offload by the Bankers to the extent of 26% of the company's holding in the market in favour of M/s Greenway Advisors Private Limited (herein referred as Strategic Investor) at such purchase price to be determined in accordance with guidelines specified by the Reserve Bank of India and such transaction for sale/purchase of equity shares shall be subjected to the agreement to be entered into between the Company, the lending Banks and the Strategic Investor. Further the members are informed that SEBI on 14<sup>th</sup> August, 2017 vide its notification exempted the Lending banks from making any open offer for off loading of shares by the Banks to the strategic investor provided a prior consent/approval of shareholders of the company is obtained and below mentioned information as prescribed in the notification is given by way of explanatory statement to the members of the company :-

- (i) The identity including of the natural persons who are the ultimate beneficial owners of the shares proposed to be purchased and/ or who ultimately control the proposed acquirer(s); :-

M/s Greenway Advisors (P) Ltd. is a subsidiary Company whose entire equity shareholding is held equally by Integrated Capital Services Limited (ICSL), a company whose shares are listed for trading on Bombay Stock Exchange, and Mr. Heera Lal Bhasin, a person having varied business interests.

ICSL is a subsidiary of Deora Associates Private Limited (DAPL), a private limited company promoted by Mr. Sajeve Deora, one of the directors of ICSL, and his family members. A draft Scheme of Merger of DAPL with ICSL is under examination by the Bombay Stock Exchange.

Mr. Sajeve Deora and his family members are the ultimate beneficial owner of 69.27% of ICSL.

(ii) the business model :-

STURDY INDUSTRIES LIMITED – A Company incorporated on 27.07.1989 at Registered Office 21, Industrial Area, Baddi (H.P.) is engaged in manufacturing of Plastic Pipes, PLB HDPE Telecom Ducts, Sprinkler & Drip Irrigation Systems, Water Storage Tanks, Aluminium Conductors & Cable, Aluminium Wire Rod, Aluminium Composite Panel etc.

The company is having manufacturing facilities for these items at various locations in the State of H.P., Assam and Punjab. The Brief details of activities is given below: -

a.	<b>Name of the Company</b>	<b>M/S Sturdy Industries Limited</b>
b.	<b>Address of Regd. Office Corporate Office</b>	<b>21, Industrial Area, Baddi, Distt. Solan(HP) 55, Sector 1, Parwanoo, Baddi, Distt. Solan(HP)</b>
c.	<b>Works/Factory</b>	<b><u>Unit I</u> :21, Industrial Area, Baddi, Distt. Solan (HP) <u>Unit II</u> : at Saidpura <u>Unit III</u> :21, Industrial Area, Baddi, Distt. Solan (HP). <u>Unit IV</u>: Khasara No.69, 70, Village Bhatoli Khurd, Pargana Dharampur, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh. <u>Unit V</u>: 36,DEF, Barotiwala (Baddi) <u>Assam Unit</u>: Industrial growth Centre, Chaygaon, Distt. Kamrup; Assam. <u>Unit VI</u>: 44-45, Ind. area, Sec-1, Parwanoo (H.P.) <u>Unit VII</u>: 36-37,Ind. Area,Sec-1 Parwanoo (H.P)</b>
e.	<b>Constitution</b>	<b>Public Ltd. Company.</b>
f.	<b>Date of incorporation/ Establishment</b>	<b>27.07.1989</b>
g.	<b>Dealing with PNB since</b>	<b>Since inception in 1989.</b>
h.	<b>Industry/Sector</b>	<b>Mfg. of Drip and Sprinkler Irrigation system, Water storage tanks, PVC Pipes, Asbestos Sheets, Aluminum Composite Panels, conductors and trading in polymers. And Aluminium</b>

i.	Business Activity (Product)/	<p><u>Unit I</u> :21, Industrial Area, Baddi, Distt. Solan (HP)</p> <p><u>Unit II</u> : at Saidpura</p> <p><u>Unit III</u> :21, Industrial Area, Baddi, Distt. Solan (HP).</p> <p><u>Unit IV</u>: Khasara No.69, 70, Village Bhatoli Khurd, Pargana Dharampur, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh.</p> <p><u>Unit V</u>: 36,DEF, Barotiwala (Baddi)</p> <p><u>Assam Unit</u>: Industrial growth Centre, Chaygaon, Distt. Kamrup; Assam.</p> <p><u>Unit VI</u>: 44-45, Ind. area, Sec-1, Parwanoo (H.P.)</p> <p><u>Unit VII</u>: 36-37,Ind. Area,Sec-1 Parwanoo (H.P)</p>
j	Corporate identity No ( CIN)	L25209HP1989PLC009557

**Directors (S/Shri):**

Name and Designation	Address/Mobile No./e-mail address of Main Directors/Guarantor Directors/Key persons	Whether Promoter/ Professional/Nominee
Mohan Lal Gupta	MIG 55 sector I, Parwanoo, Mob. No 9812057444 e-mail <a href="mailto:chemiplast@yahoo.com">chemiplast@yahoo.com</a>	Promoter/Managing Director
Ramesh Kumar Gupta	LIG 11-12 Sector-I Parwanoo Mob. No 9812057544 e-mail <a href="mailto:legalsturdy@gmail.com">legalsturdy@gmail.com</a>	Promoter/Whole Time Director
Amit Gupta	MIG 55, sector-I Parwanoo Mob.no 9218527088 e-mail <a href="mailto:chemiplast@yahoo.com">chemiplast@yahoo.com</a>	Whole Time Director
Devender Nath Sharma	Kamla Nagar, Kalka, Haryana	Professional ( Contractor)
Ashok Bhatia	401-A Way Fair, Oberoi Complex, Mumbai Maharashtra	Professional ( Marketing)

The Company has planned to reorganize its various manufacturing facilities which are going to contribute to its Earnings before Interest, Tax and Depreciation and Amortization (EBITDA) to service its sustainable debts.

The Strategic Investor has evinced interest in purchase of shares of the Company subject to the following terms. The proposed transaction of sale and purchase of shares is exempt from the obligation of making a public offer under regulations 3 and 4 of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, in terms of the notification issued on August 14, 2017, and shall be subject to agreement to be executed between the Seller Banks and the Strategic Investor.

- 1) At present, following units are working under Sturdy Industries Limited and due to reason mentioned against them, it has been decided to close these units and the company is to concentrate its business activity only towards the core units.
  - a) Unit-i – 21, Indl. Area, Baddi engaged in manufacturing of HDPE, PVC Pipes and Fittings extra. This unit is closed since long.
  - b) Unit No.iii - 21 Indl. Area, Baddi, this unit is engaged in manufacturing of Aluminium Composite Panels used in front elevation of commercial buildings and towers. Due to slow down in commercial real estate sector the raw material as well as finished goods have been considered as slow moving and the sale of this unit is very negligible during the previous year. As such this unit has also been identified as non-core asset.
  - c) Unit No. ii - Village Saidpura, Derabassi. This unit is engaged in manufacturing of Asbestos Corrugated Cement Sheets and was given on lease to M/s Hyderabad Industries Ltd. Since this company has stopped doing the work and case for recovery of lease money is pending in Court of Law. This unit has also been identified as non-core assets. Since all the approvals/license are in the name of company as such we have already requested the bank for demerger of this unit to facilitate sale.
  - d) Unit No. ix – Nu-line unit engaged in manufacturing of Aluminium Conductors, Aluminium Conductors Steel reinforced, already merged with Sturdy Industries Ltd. is also closed since long due to obsolete machinery.
  - e) Unit No. x – M/s Tirupati Aluminium Ltd. since merged with Sturdy Industries Ltd. engaged in manufacturing of Aluminium Wire Rod, PLB HDPE Telecom Duct and trading of Aluminium Wire. This unit was acting as backward integration for supply of e aluminium wire rod to its flagship company M/s Sturdy Industries Ltd. Since, aluminium wire rod is now

being supplied directly by BALCO / HINDALCO at lesser cost as such this unit has also been identified as non-core assets.

- f) Unit No. vii - Hydro Project at Village Salanti HP has yet not started. Only approval have been taken for setting up a Mini Hydel power project of 1.5 MW. This unit has also been identified as non-core assets..

Following units have been identified as core assets for future business activity .

- g) Unit No. iv - at Village Bhatoli Khurd, Baddi engaged in manufacturing of Aluminium Conductors.
- h) Unit No. v – Swati Enterprises unit, it is a Proprietorship concern of M/s Sturdy Industries Ltd. engaged in trading of Polymers.
- i) Unit No. viii – Swati Storwel unit. at Parwanoo engaged in manufacturing of Water Storage Tanks, HDPE & PVC Pipes, Sprinkler and Drip Irrigation Systems.
- j) Unit No. vi – at Assam, engaged in manufacturing of aluminium conductors, aluminium conductor steel reinforced , Arial bunched cable etc. used in Transmission of Electricity.
- 2) The company has achieved sales of Rs.398.58 Crore for the financial year ended 31/03/2017 and projected to achieve sales of Rs 292.80 Crores by the end of 31/03/2018 and 305.40 crores by the end of 31/03/2019. The low projection of sales during the subsequent years has been considered due to closure of above mentioned units particularly erstwhile M/s Tirupati Aluminium Ltd acting as backward integration for supply of Aluminium Wire Rod after manufacturing from aluminum Ingots. This unit had contributed sales of Rs 95.00 Crores during the last financial year 2017 to M/s Sturdy Industries Limited. Similarly sales during the subsequent years have been considered keeping in view the present trend.

At present the company having following orders in hand in respect of aluminum division and order expected / tender participate as on 31.07.2017.

Aluminium Division Orders in Hand as on 31/07/2017 : Rs.147.16 Crore

Order Expected / Tenders Participated of Aluminium Division : Rs. 70.00 Crore

In view of above the projected / accepted sale level has been considered as achievable

- 3) The company has achieved EBITDA of Rs.16.20 Crore during the financial year March, 2016 and Rs.14.66 Crore during the financial year March, 2017 with percentage 3.78 and 3.58 respectively. The low achievement of EBITDA during the previous year as compared to percentage of EBITDA worked out in financial model is on account of fixed cost being incurred on the units now considered as non-core assets and decided to be closed.

Particularly during the last financial year, the company could achieve EBITDA of Rs.14.66 Crore i.e. 3.58% of sale value after considering other income to the extent of Rs.11.34 Crore. The low achievement of EBITDA was on account of :

- a) Tirupati Aluminium Ltd (merged with sturdy). working as backward integration for supply of aluminium rod is now available directly from BALCO at cheaper rate.
- b) Fixed cost being incurred on non-core assets as mentioned above.
- c) Due to demonetization irrigation sale profit declined.
- d) Cancellation of power grid corporation orders worth Rs.80.00 Crore allotted in favour of the company due to states not agreed under DDGJ Yojna.

In view of above the EBITDA during the subsequent year have been considered as realistic and achievable.

- 4) The slow moving stocks as well as receivable under dispute has been segregated and required provision has been created in the books of account during the subsequent years.
- 5) Keeping in view the market trend, projected sale level, percentage of EBITDA and requirement of new investor the sustainable debt has been identified to the extent of Rs. 75.00 Crore besides non fund based bank guarantee required for performance of contract only.

- (i) a statement on growth of business over the period of time :-

As per news appear in Business Standard on 15<sup>th</sup> June, 2017 Power Grid to spend Rs.91000 Crore in next 3 years. In another news item in Economic



Time dated 31.05.2017, the PGCIL is likely to commission projects worth Rs.30,000 Crore in 2017-18. The project to be commissioned include Champa-Kurukshetra HVDC line, NER-Agra line, Wardha-Nizamabad line and Jabalpur-Aligarh line. Further as per news item appeared in Business Standard on 3.01.2017, Power Transmission Sector likely to get about Rs.2,60,000 Crore investment till 2022.

Further, in the agricultural sector the role of irrigation is major part in government policies. The Government of Uttar Pradesh has projected/targeted a sum of Rs. 6069.49 Lakh for the purchase sprinkler irrigation system for farmers.

(ii) summary of audited financials of previous three financial years;

(Rupees in crores)

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
Paid up Capital	32.25	16.89	17.86
Reserves & Surplus	8.45	10.42	15.87
Net Worth	40.70	27.31	33.73
Miscellaneous Expenditure	0.00	0.00	0.00
Secured Loans	184.15	206.32	125.32
Unsecured Loans	38.73	40.70	40.57
Fixed Assets	69.89	81.65	87.40
-Income from Operations	398.58	423.73	708.75
Total Income	409.92	429.01	409.92
Total Expenditure	412.65	446.07	436.40
Profit before Tax	-2.72	-17.06	-26.48
Profit after Tax	0.00	0.00	0.00
Cash Profit	14.66	16.21	6.10

(iii) track record of Strategic Investor in turning around companies, if any; NA

Mr. Sajeve Bhushan Deora, Director of the Strategic Investor Company, has more than 30 years experience rendering management and consultancy services in areas of restructuring and turnaround of enterprises facing business/ financial stress.

He is a member of the Board of Directors of, (a) Integrated Capital Services Limited (Indian company), a company principally engaged in providing services in areas of Restructuring Advisory and Support, and (b) BTG Global Advisory Limited (UK company), an internationally

renowned Network for rendering expert advise on restructuring, turnaround and insolvency matters. He is also a Member of, (a) HWW-ICP, a Hamburg based organization, which is a co-operation of Insolvency Professionals in 30 countries, and (b) International Insolvency Institute, a US based organization which is engaged in continually studying, analyzing and providing solutions to problems in cross border insolvencies and reorganisations and is dedicated to improving international cooperation in field of insolvency. He is registered with Insolvency Bankruptcy Board of India under Insolvency Bankruptcy Act, 2016 as an Insolvency Professional. He has been involved with restructuring and turnaround of several enterprises, and advising thereon, and will be advising the Company on its plans therefor.

(iv) the proposed roadmap for effecting turnaround of the issuer :-

The proposed roadmap for effecting turnaround of the Company is to primarily restructure the bank borrowings to determine and support sustainable debts of the Company as per requirements.

- (1) The sustainable debts will remain secured against present securities held by the Banks, and that the lending exposure shall remain classified in the following heads:
  - a) Cash Credit – against hypothecation of stocks,
  - b) Cash Credit – against book debts.
  - c) Banks would be required to consider grant of need based facilities. Facilities of Letters of Credit and Bank Guarantees are likely to be required, which the Banks would be required to consider to extend against securities as presently held by Banks.
  - d) Recovery of unsustainable portion of the borrowings of the Company would be required to be waived by the Banks, which shall be without right of recompense. The waiver shall be granted on the day sale and purchase of subject shares is complete.
  - e) The impact of loss to the Banks on account of waiving the unsustainable portion of debts of the Company shall be reduced by the following, which shall be possible only on realisation of proceeds from liquidation of assets as listed hereunder:

- (i) Proceeds from sale of surplus machinery, which shall be identified jointly by the Investor, the Company and the Banks.
  - (ii) Proceeds from sale of slow moving stocks, which shall be identified jointly by the Investor, the Company and the Banks.
  - (iii) Realizations from long term debtors, which shall be identified jointly by the Investor, the Company and the Banks.
  - (iv) Realization from debtors against whom cases have been filed in various courts for recovery, which shall be identified jointly by the Investor, the Company and the Banks.
  - (v) Proceeds from sale/ disposal of surplus utilities, which shall be identified jointly by the Investor, the Company and the Banks.
  - (vi) Proceeds from sale of land and building which is not capable of alternate use, which shall be identified jointly by the Investor, the Company and the Banks.
- (2) Moratorium period of one year, i.e., from October 1, 2017 to September 30, 2018, would be required for servicing of interest on sustainable debt, and this amount shall be paid out of subsidies/ incentives pending release by the Central/ State Government of Assam. This amount is about Rs. 11.00 Crores as at March 31, 2017.
- (3) Margin against Non Fund based facilities granted to the Company shall be required to be released immediately by Punjab National Bank and Allahabad Bank to facilitate smooth and proper functioning of manufacturing units of the Company, in order that operations are carried out at optimum capacities.

By order of the Board

Sd/-

(Ramesh Gupta)

DIN :- 00161363

WHOLE TIME DIRECTOR

HNO. 11-12, SECTOR 1

PARWANOO, HIMACHAL PRADESH

PLACE: Baddi

DATE: 25/08/2017

## BOARDS' REPORT

To The Members,

Yours Directors have pleasure in presenting their 28<sup>th</sup> (Twenty Eight) Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2017.

### FINANCIAL HIGHLIGHTS

<b>PARTICULARS</b>	<b>Year Ended March 31<sup>st</sup> 2017 (Rs. In lacs)</b>	<b>Year Ended March 31<sup>st</sup> 2016 (Rs. In lacs)</b>
Revenue from Operations	39858.42	42373.25
Other Income	1134.56	528.24
Expenses	41265.04	44607.58
Profit (Loss) before tax	(272.06)	(1706.10)
Tax Expenses:		
-Current Tax	0	0
-Deferred Tax	(120.59)	(531.88)
Profit/(Loss) After Tax	(392.65)	(1174.21)

### REVIEW OF OPERATIONS AND BUSINESS PERFORMANCE

During the financial year under review, the company has achieved turnover including (income from other sources) of Rs. 40992.98 lacs. However the expenditure side of the Company has also been proportionally decreased to Rs. 41265.04 lacs. During the year, Banker of the company reverse interest by derecognizing of Rs. 22 Cr. Due to implementation of SDR Package and the account put on stand still standard. Resultantly, the company incurred a loss of Rs. 272.06 Lacs as compared to the previous year loss of Rs. 1706.10 Lacs. Your management is striving hard to improve the financial position of the Company by devising effective marketing plans and strategies.

### DIVIDEND

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

### LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (Bombay Stock Exchange Ltd.) and the Company has paid the Annual Listing Fees to BSE for the financial year 2017-18.

## **BORROWINGS**

Total borrowings by the company both long term and short term as at 31<sup>st</sup> March, 2017 amounted Rs. 23023.28 Lakhs as against Rs. 25483.16 Lakhs as at 31<sup>st</sup> March, 2016.

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

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

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT -9 for the Financial Year 2016-17 is attached as an annexure- 1 to this report.

## **BOARD AND COMMITTEE MEETINGS**

The details of meetings of the Board and committee thereof held during the financial year 2016-17 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) the Board confirm and report that:—

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

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

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

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

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

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

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

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.

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

The tenure of present statutory auditor of the Company M/s B. M. VARMA & CO., Chartered Accountants (Firm Registration No: 001099N) shall end at the conclusion of ensuing AGM. Taking into account that M/s B. M. VARMA & CO., Chartered Accountants, have completed the maximum tenure permissible under the Companies Act, 2013, in line with the requirement of rotation of auditors prescribed under Section 139(2) of the Companies Act, 2013, the Board based on the recommendation of Audit Committee and subject to the approval of Members approved the appointment of M/s R K Deepak and Co, Chartered Accountants, (Firm Registration No.: 003145N) as Statutory Auditors of the Company for a term of 5 years commencing from the conclusion of the ensuing AGM. M/s. P R K Deepak and Co, Chartered Accountants have confirmed their willingness, to act as statutory auditors and further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board recommends the appointment of M/s. R K Deepak and Co, Chartered Accountants as Statutory Auditors for the consideration of shareholders in the ensuing AGM. The Board of Directors places on record its appreciation for the service rendered by M/s B. M. VARMA & CO, Chartered Accountants as the statutory auditor of the Company.

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

### **SECRETARIAL AUDIT REPORT**

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

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

<b>Auditor Observation</b>	<b>Reply</b>
Company has not complied with regulation 28(1) of the SEBI (LODR) Regulations, 2015 in respect of the In-principle approval for issue of shares to the Banker for conversion of its debt.	The company has already applied to the Securities & Exchange Board of India for the condonation of default and status thereof as on date is under process.

Shareholding Pattern for the Q1 of FY 2016-17 not submitted on time with the BSE Ltd.	The delay was few days and that is also because of the non receipt of data by the RTA from depository on time due to some reason.
Company has not appointed Company Secretaries as per the provision of Section 203 of the Companies Act, 2013.	During the year under review, the company appointed a Company Secretary but due to some geographical location of the company's registered office, the company secretary resigned from the post. The company is looking for a suitable candidate for posting at its registered office as Company Secretary.
Company has not Appointed Woman Director of the Board of the Company.	During FY 2015-16, the company appointed Woman Director twice but due to some or the other reason both resigned during the year. The company is looking for a willing person to appoint as the woman director
Company has not appointed Internal Auditor as per Section 138 of the Companies Act, 2013	The process of appointing internal auditors is being finalized.
Company has constituted Nomination & remuneration Committee but its composition is not as per section 178 of the Companies Act, 2013	The committee has been reconstituted as per the provisions of Section 178 of the Companies Act, 2013.

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

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

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

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

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

<b>SL N o</b>	<b>Date of invest ment</b>	<b>Details of Investee</b>	<b>Amount</b>	<b>Purpose for which the proceeds from investment is proposed to be utilized by the recipient</b>	<b>Date of SR (if reqd)</b>	<b>Expected rate of return</b>



	NIL					
--	-----	--	--	--	--	--

**Details of Guarantee / Security Provided:**

SL No	Date of providing security/guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
	NIL						

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

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2016-17 in the prescribed format, AOC 2 has been enclosed with the report as **Annexure 3**.

**AMOUNTS TRANSFERRED TO RESERVES**

Losses of Rs. 3.93 Cr. has been transferred to the reserve of the Company.

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

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

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

- (i) During the year under review, the Hon'ble High Court of Himachal Pradesh approved the Scheme/arrangement between the company and M/s. Tirupati Aluminium Limited.
- (ii) Company has allotted 51% shares i.e. 7,71,39,384 Equity Shares at face value of Rs. 2/- to the Banker of the Company by converting debt into Equity and out of total shares 45376108 shares were allotted to Punjab National Bank and 3,17,63,276 shares were allotted to Allahabad Bank.

### **RISK MANAGEMENT POLICY**

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

### **CORPORATE SOCIAL RESPONSIBILITY**

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

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

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

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

### **DIRECTORS**

There were no changes made in the directorship during the financial year under review.

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company, Mr. Ramesh Gupta, Whole Time Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting offers himself for re- appointment. The brief resume of Mr. Ramesh Gupta, who is proposed to be re-appointed, is provided in the Report on Corporate Governance.

### **DEPOSITS**

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

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

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

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

The authorized share capital of the Company increased to Rs. 35,50,00,000 (Rupees Thirty Five Crores and Fifty lacs only) divided into 15,75,00,000 (Fifteen Crore Seventy Five Lacs) Equity Shares of Rs. 2/- each and 2,00,000 (Two lacs) Preference Shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the company is Rs 32,25,07,388/- divided into 15,12,53,694 equity shares of Rs. 2/- and 2,00,000 Preference shares of Rs. 100/- each.

#### **DECLARATION BY INDEPENDENT DIRECTOR**

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

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

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

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

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

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

#### **CHANGE IN THE NATURE OF BUSINESS**

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

### **MANAGERIAL REMUNERATION**

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

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

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

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

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

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

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

The Company has in place an Anti Harassment policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017.

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

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

### **CORPORATE GOVERNANCE**

The Company has complied with all the conditions of Corporate Governance as stipulated in Listing Regulations with Bombay Stock Exchange Limited during the year ended on 31<sup>st</sup> March, 2017 as per Report on Corporate Governance annexed and a Certificate from the Auditors to this effect for the year ended on 31<sup>st</sup> March, 2017 is also enclosed with this report.

**COST AUDIT**

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013, your Company carries out an audit of cost records. The Company has appointed M/s Balwinder & Associates, Cost Accountants, as Cost Auditor of the Company for the financial year 2017-18

**CASH FLOW ANALYSIS**

In conformity with the provisions of Listing Agreement and Companies Act, 2013, the Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2017 is annexed hereto.

**PERSONNEL**

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

**TRADE RELATIONS**

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

**ACKNOWLEDGEMENT**

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

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

PLACE: Baddi  
DATE : 25.08.2017

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

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

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	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 ,BADDI, HIMACHAL PRADESH, legalsturdy@gmail.com 232570, 232863, 232864 Fax no. : 01792-232770 Email :- Telephone no: 01792-
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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Plastic Pipes & Irrigation	25209	50.56
2	Aluminum Devision(Conductor)	31300	48.48
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NA				
2					
3					

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	16,673,667	-	16,673,667	25.93%	16,673,667	2,096,790	18,770,457	12.41%	13.52%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	14,314,200	3,000,000	17,314,200	26.92%	11,587,200	8,017,800	19,605,000	12.96%	13.96%
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>30,987,867</b>	<b>3,000,000</b>	<b>33,987,867</b>	<b>52.85%</b>	<b>28,260,867</b>	<b>10,114,590</b>	<b>38,375,457</b>	<b>25.37%</b>	<b>-27.48%</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>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	30,987,867	3,000,000	33,987,867	52.85%	28,260,867	10,114,590	38,375,457	25.37%	-27.48%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%		77,139,384	77,139,384	51.00%	51.00%
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>	-	-	-	0.00%	-	77,139,384	77,139,384	51.00%	51.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2,475,944	7,018,000	9,493,944	14.76%	7202320	5343519	12,545,839	8.29%	6.47%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,879,620	3,540,600	15,420,220	23.98%	11390971	6772040	18,163,011	12.01%	11.97%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,368,992	-	5,368,992	8.35%	3982292	0	3,982,292	2.63%	5.72%
c) Others									
Non Resident Indians	-		-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%		168296	168,296	0.11%	0.11%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts/HUF/NBFC	37,937		37,937	0.06%		879415	879,415	0.58%	0.52%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	19,762,493	10,558,600	30,321,093	47.15%	22,575,583	13,163,270	35,738,853	23.63%	-23.52%
<b>Total Public (B)</b>	19,762,493	10,558,600	30,321,093	47.15%	22,575,583	90,302,654	112,878,237	74.63%	27.48%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	50,750,360	13,558,600	64,308,960	100.00%	50,836,450	100,417,244	151,253,694	100.00%	0.00%



**(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	0.13%	81,407	81,407	0.05%	81,407	-0.07%
2	Amit Gupta	345,850	0.54%	345,850	345,850	0.23%	345,850	-0.31%
3	Satya Bhama	424,600	0.66%	424,600	424,600	0.28%	424,600	-0.38%
4	Usha Gupta	549,085	0.85%	549,085	549,085	0.36%	549,085	-0.49%
5	Ramesh Kumar Gupta & Sons HUF	1,036,420	1.61%	1,036,420	1,036,420	0.69%	1,036,420	-0.93%
6	MOHAN Lal Gupta	3,229,826	5.02%	3,229,826	3,820,216	2.53%	3,229,826	-2.50%
7	Mohan Lal Gupta & Sons(HUF)	4,476,778	6.96%	4,476,778	4,476,778	2.96%	4,476,778	-4.00%
8	Ramesh Kumar Gupta	6,529,701	10.15%	6,529,701	6,727,501	4.45%	6,529,701	-5.71%
9	Vats Plastic Pipes Pvt. Ltd.	629,500	0.98%	629,500	952,000	0.63%	629,500	-0.35%
10	Jai Ambey Iron & Steel Ltd.	1,000,000	1.55%	NIL	1,000,000	0.66%	NIL	-0.89%
11	Ambey Vaishno Steel Pvt. Ltd.	1,000,000	1.55%	NIL	1,000,000	0.66%	NIL	-0.89%
12	Shree Ambey Forging Pvt. Ltd.	1,000,000	1.55%	NIL	1,000,000	0.66%	NIL	-0.89%
13	Patriot Pipes Pvt. Ltd.	1,997,000	3.11%	1,997,000	2,098,050	1.39%	1,997,000	-1.72%
14	Jagan Irrigation Systems Pvt. Ltd	2,306,800	3.59%	2,306,800	2,306,800	1.53%	2,306,800	-2.06%
15	Saurabh Portfolios Pvt. Ltd.	2,411,400	3.75%	2,411,400	3,142,400	2.08%	2,411,400	-1.67%
16	Tirupati Aluminium Ltd.	2,727,000	4.24%	2,727,000	-	0.00%	2,727,000	-4.24%
17	Alpine Capital Service Ltd	4,242,500	6.60%	4,242,500	5,301,100	3.50%	4,242,500	-3.09%
18	Shivam Deepak Jain U/G Pushpa Jain	Nil	0.00%	NIL	391,650	0.26%	NIL	0.26%
19	Sahil Deepak Jain U/G Pushpa Jain	Nil	0.00%	NIL	389,150	0.26%	NIL	0.26%
20	Vats Credit Private Limited	Nil	0.00%	NIL	312,800	0.21%	NIL	0.21%
21	Gulshan Malhotra	Nil	0.00%	NIL	197,800	0.13%	NIL	0.13%
22	Gopal Sharma	Nil	0.00%	NIL	4,300	0.00%	NIL	0.00%
23	Jitendra Bhanot	Nil	0.00%	NIL	4,300	0.00%	NIL	0.00%
24	Dinesh Kumar	Nil	0.00%	NIL	4,300	0.00%	NIL	0.00%
25	Jeevan Naryal	Nil	0.00%	NIL	4,300	0.00%	NIL	0.00%
26	Worthwhile Financial Services Private Limited	Nil	0.00%	NIL	1,247,000	0.82%	NIL	0.82%
27	Jagan Credir Private Limited	Nil	0.00%	NIL	559,000	0.37%	NIL	0.37%
28	Patriot Hire Purchase Private Limited	Nil	0.00%	NIL	518,150	0.34%	NIL	0.34%
29	Sahyog Credits Ltd	Nil	0.00%	NIL	222,500	0.15%	NIL	0.15%
30	Baddi Steels Pvt Ltd	Nil	0.00%	NIL	172,000	0.11%	NIL	0.11%
31	Pallavi Hire Purchase Pvt Ltd	Nil	0.00%	NIL	86,000	0.06%	NIL	0.06%

**(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
	At the beginning of the year	1/4/2016		33,987,867	52.85%	33,987,867	22.47%
			CHANGE DUE TO ALLOTMENT OF SHARES PURSUANT TO MERGER ON 11.10.2016				
	Changes during the year	11.10.2016	Allot	4,387,590	6.82%	4,387,590	2.90%
	At the end of the year	31/03/2017		38,375,457	59.67%	38,375,457	25.37%

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

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
1	PUNJAB NATIOAN BANK						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year	24.10.2016	Allot	45,376,108	70.56%		0.00%
	At the end of the year			45,376,108	70.56%	45,376,108	30.00%
2	ALLAHABAD BANK						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year	24.10.2016	Allot	31,763,276	49.39%		0.00%
	At the end of the year			31,763,276	49.39%	77,139,384	51.00%
3	DIVYA TUBES PRIVATE LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			3,000,000	4.66%		0.00%
	At the end of the year			3,000,000	4.66%	80,139,384	52.98%
4	MOTIA CONSTRUCTIONS LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			2,000,000	3.11%		0.00%
	At the end of the year			2,000,000	3.11%	82,139,384	54.31%
5	N K SHARMA ENTERPRISES LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			2,000,000	3.11%		0.00%
	At the end of the year			2,000,000	3.11%	84,139,384	55.63%
6	BCL HOMES LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			1,000,000	1.55%		0.00%
	At the end of the year			1,000,000	1.55%	85,139,384	56.29%
7	AARAM AGRICULTURE PVT LTD						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			889,438	1.38%		0.00%
	At the end of the year			889,438	1.38%	86,028,822	56.88%
8	MITHUNE SECURITIES PVT LTD						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			458,021	0.71%		0.00%
	At the end of the year			458,021	0.71%	86,918,260	57.47%
9	INNOVATIVE TEXTILE PVT LTD						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			430,000	0.67%		0.00%
	At the end of the year			430,000	0.67%	87,778,260	58.03%

10	DINESH MANAGEMENT SERVICES LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			398,610	0.62%		0.00%
	At the end of the year			398,610	0.62%	88,176,870	58.30%

**(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 shares	No. of shares	% of total shares
1	MOHAN LAL GUPTA						
	At the beginning of the year			3,229,826	5.02%	3,229,826	2.14%
	Changes during the year	11/10/2016	Allot	590,390	0.92%	590,390	0.39%
	At the end of the year			3,820,216	5.94%	3,820,216	2.53%
2	RAMESH GUPTA						
	At the beginning of the year			6,529,701	10.15%	9,759,527	6.45%
	Changes during the year	11/10/2016	Allot	197,800	0.31%	788,190	0.52%
	At the end of the year			6,727,501	10.46%	10,547,717	6.97%

3	AMIT GUPTA						
	At the beginning of the year			345,850	0.54%	10,105,377	6.68%
	Changes during the year				0.00%	-	0.00%
	At the end of the year			345,850	0.54%	10,893,567	7.20%

4	D N SHARMA						
	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%

5	ASHOK OMPARKASH BHATIA						
	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%

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,039,408,612.48	430,809,849.30	78,097,433.00	2,548,315,894.78
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	<b>2,039,408,612.48</b>	<b>430,809,849.30</b>	<b>78,097,433.00</b>	<b>2,548,315,894.78</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition				-
* Reduction	(212,354,549.00)	(28,933,709.00)		(241,288,258.00)
Net Change	(212,354,549.00)	(28,933,709.00)	-	(241,288,258.00)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,827,054,063.48	401,876,140.30	73,397,433.00	2,302,327,636.78

ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	1,827,054,063.48	401,876,140.30	73,397,433.00	2,302,327,636.78

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

**NIL**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs/Lac)
		MOHAN LAL GUPTA	RAMESH GUPTA	AMIT GUPTA	
	Designation	MD	WTD	WTD	
1	Gross salary	1800000	1800000	1800000	5400000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total (A)	3,600,000.00		1,800,000.00	5,400,000.00
	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				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

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

NIL

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name	KHEM CHAND	SUNAINA WALIA	(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	280000		10000	
	(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,				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit - others, specify				-
5	Others, please specify				-
	Total	280,000.00	-	10,000.00	290,000.00

## 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				

# Secretarial Audit Report

(For the period 01/04/2016 to 31/03/2017)

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

To,

The Board of Directors  
Sturdy Industries Limited  
CIN L25209HP1989PLC009557  
BADDI

Dear Sir(s)

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

Based on our verification of the **M/s Sturdy Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31/03/2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sturdy Industries Limited** ("**the Company**") for the financial year ended on **31/03/2017** according to the provisions of:

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

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- Vi) Based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Laws, Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:-
- i. Labour Laws and other incidental Laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc:
  - ii. Acts prescribed under prevention and control of pollution.
  - iii. Acts prescribed under environmental protection
  - iv. Factory Act 1948
  - v. Central Excise Act 1944
  - vi. Custom Act 1962
  - vii. SEBI(LODR) Regulations,2015

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

- i) The Institute of Company Secretaries of India has prescribed Secretarial Standards which are mandatory for the year 2016-17.

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

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

1. Company has not complied with regulation 28(1) of the SEBI (LODR) Regulations, 2015 in respect of the In-principle approval for issue of shares to the Banker for conversion of its debt.
2. Shareholding Pattern for the Q1 of FY 2016-17 not submitted on time with the BSE Ltd.
3. Company has not appointed Internal Auditor as per Section 138 of the Companies Act, 2013.
4. Company has not appointed Company Secretaries as per the provision of Section 203 of the Companies Act, 2013.
5. Company has not appointed Woman Director as per the provision of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015.
6. Company has constituted nomination and remuneration committees but its composition is not as per section 178 of the Companies Act, 2013.

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

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

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

For Himanshu Sharma & Associates  
Company Secretaries

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

Place :- New Delhi  
Date :- 31/07/2017



**Disclosure of Particulars of Contracts/Arrangements entered into by the Company**
**Form No. AOC-2**
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

Sno.	Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the board	Amount paid as advances if any	Date on which the special resolution was passed in the general meeting as required under the first proviso to section 188
1	<b>Chemiplast Industries</b> (Associate concern)	Business transactions (like sales, purchases, payment received, etc.)	Transactions in normal course of business.	Sale Purchase of Material at Arm length Price Goods Purchase :- Rs. 31056291 Goods Sold :- Rs. 22958196/-	30/05/2016	NA	NA

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

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

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

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

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

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

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

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

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

c) **Future plan of action:**

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

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

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

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

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

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

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

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

**C.FOREIGN EXCHANGE EARNINGS AND OUTGO (Rupees in Millions) 2016-17**

Foreign Exchange earnings :- \$6248122.70

Foreign Exchange outgo :- \$12209.00

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

<b>S.No. Requirements of Rule 5(1)</b>	<b>Details</b>		
(I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Mohan Lal Gupta	3:1	
	Mr. Ramesh Gupta	3:1	
	Mr. Amit Gupta	3:1	
(ii) The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive or Manager, if any, in the Financial year;	Name	As per Payout	As per Terms
	Mr. Mohan Lal Gupta	NA	NA
	Mr. Ramesh Gupta	NA	NA
	Mr. Amit Gupta	NA	NA
(iii) The percentage increase in the median remuneration of employees in the financial year	Nil		
(iv) The number of permanent employees on the rolls of company	108 as on 31.03.2017		
(v) The explanation on the relationship between average increase in remuneration and company performance	No appraisal been given during the year under review		
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration of the Key managerial personnel is in line with the performance of the company and individual		
(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies , the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	Detail	31.03.2016	31.03.2017
	Market Capitalization	80.37 Cr.	19.40 Cr.
	Share price – BSE	1.25	1.15
	EPS	NIL	NIL
	Net Worth	21.55 Cr.	40.70 Cr.
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel	No increase in Remunerations		

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	
(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

## **REPORT ON CORPORATE GOVERNANCE**

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

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

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

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

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

### **II. 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. The composition of Board confirms to this objective. We ensure that the Board is provided with all relevant operational information to maintain a transparent decision making process.

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

As on March 31, 2017 the Board of Directors has 5(Five) members, with optimum combination of both Executive and Non-executive Directors and CFO as KMP in the Board of the Company. Company's Board now comprises of three Promoter Executives Directors and two independent non executive directors. The Composition of the Board is in conformity with Listing regulations except the Woman Director.

Minimum four prescheduled Board meetings are held every year. Additional meetings are held by giving appropriate notice to address specific needs of the company. The Board of Directors met 18 times during the year on 30/05/2016, 12/06/2016, 28/06/2016, 01/07/2016, 20/07/2016, 25/07/2016, 04/08/2016, 13/08/2016, 17/08/2016, 22/08/2016, 07/09/2016, 08/09/2016, 11/10/2016, 24/10/2016, 11/11/2016, 17/12/2016, 13/02/2017,06/03/2017. The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months as stipulated under 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.

Details of the Board as on March 31, 2017, attendance of Directors at the Board of Directors Meetings held during 2016-17 and the last Annual General Meeting (AGM) held on 20.08.2016 are as follows:

Sr. No	Name of Director	Category#	DIN	Attendance Particulars			No. of other Companies Directorships and Committee memberships/ chairmanships of the company*		
				No. of Board Meetings attended		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
				Held	Attended				
1	Sh. Mohan Lal Gupta	PD/ ED	00161184	18	18	Yes	--	--	--
2	Sh. Ramesh Gupta	PD/ED	00161363	18	18	Yes	--	--	--
3	Sh. Amit Gupta	ED/PD	00161417	18	18	Yes	--	--	--
4	Sh. Ashok Omparkash Bhatia	ID/NED	02394943	18	18	Yes	--	--	--
5	Sh. Deveinder Nath Sharma	PD/ NED	00161621	18	18	Yes	--	--	--

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

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

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

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

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

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

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

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

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

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

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

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

#### **Compliance Officer**

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



### Directors retiring by Rotation

In Compliance with provisions of the Companies Act, 2013, Mr. Ramesh Gutpa will be retiring by the rotation at the forthcoming Annual General Meeting and being eligible, offered themselves 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 First promoters of the company. He is responsible for finance and other marketing related activities. He has more than 30 years of experience in this feild.
List of Outside Directorship:	-	----
Membership/Chairmanship: Of the committees of Board of Directors	-	NIL
Number of Shares Held in the:- Company	-	6727501 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 2016-17, 6 meetings of the Audit Committee were held on 10/05/2016, 13/08/2016, 10/10/2016, 24/10/2016, 11/11/2016 and 13/02/2017.

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

Sr. No.	Name of Director	Category	Attendance Particulars	
			No. of Board Meetings attended	
			Held	Attended
1	Mr. Devinder Nath Sharma	ID/ NED	6	6
2	Mr. Ashok Omparkash Bhatia	ID/NED	6	6
3	Mr. Ramesh Gupta	PD/ED	6	6

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

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

## 2. NOMINATION AND REMUNERATION COMMITTEE

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

5. Assessing and reviewing the performance of Senior/Top Management Employees of the Company and recommend their remuneration package as per Policy of the Company after considering the employment scenario, remuneration package of the industry and remuneration package of the managerial talent of other industries.

**Details of remuneration paid to the whole-time Director for the financial year ended 31<sup>st</sup> March, 2017**

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.

Sr. No.	Name	Salary & Allowances (R In Lacs)
1.	Sh. Mohan Lal Gupta	18.00
2.	Sh. Ramesh Gupta	18.00
3.	Sh. Amit Gupta	18.00
	<b>TOTAL</b>	<b>54.00</b>

During the financial year ended on 31<sup>st</sup> March, 2017, 4 (four) meetings of the Nomination and Remuneration Committee were held on 10/05/2016, 13/08/2016, 11/11/2016 & 13/12/2017.

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

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

**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 2016-17, 5 meetings of the committee were held on 10/05/2016, 13/08/2016, 06/10/2016, 11/11/2016 & 13/02/2017

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

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

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

#### IV. SHAREHOLDERS INFORMATION

##### General Body Meetings

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

AGM/EGM	Year	Venue	Day & Date	Time	No. of Special Resolution passed
27 <sup>TH</sup> A.G.M.	2015-16	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Saturday, the 20 <sup>th</sup> Day of August, 2016	09:30 AM	4
26 <sup>th</sup> A.G.M.	2014-15	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Wednesday, the 30 <sup>th</sup> Day of September, 2015	09.30AM	5
25 <sup>th</sup> A.G.M	2013-14	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Tuesday, the 30 <sup>th</sup> day of September 2014	10.00 A.M.	Nil

One special resolution was put through Postal Ballot during the year 2016-17 regarding approval of Amalgamation of Tirupati Aluminium Limited with the Company for vote in the March & April, 2016 on 10<sup>th</sup> April, 2016 at the Court Convened Meeting.

## **V. DISCLOSURES:**

### **Related Party Transactions**

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

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

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

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March, 2017.

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

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

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

### **Risk Management**

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

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

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

**Details of Directors appointed/Reappointed**

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

**Code of Conduct**

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

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

"I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2016-17."

Place: Baddi  
Date : 25/08/2017

-Sd-  
Mohan Lal Gupta  
Managing Director

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

- BSE vide its letter dated 8<sup>th</sup> August, 2016 imposed penalty of Rs. 17250/- for non submission of shareholding for the quarter ended on June, 2016. However Company has submitted its reply for wavier of the same as the delay was occurred due to non receipt of data from depositaries.

**MANAGEMENT**

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

## **INSIDR TRADING**

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

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

## **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

### **VI. MEANS OF COMMUNICATION**

Apart from furnishing the copies of the Unaudited Quarterly, Half yearly and Audited Results to all the stock exchanges where the shares of the company are listed, Company publish the result in newspapers. The financial results of the company and other information pertaining to the company are available on the company's website i.e. <http://www.sturdyindustries.com/> The Company's website contains a separate dedicated section Investor's where shareholders information is available. The Annual Report of the Company is also available on the website in downloadable form.

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

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

Day, Date & Time            Wednesday, the 20<sup>th</sup> day of September 2017 at 09.30 A.M.

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

**Financial year**                    1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017

#### **Financial Calendar 2017-2018 (Tentative)**

Results for the quarter ended 30 <sup>th</sup> June, 2017	By 14 <sup>th</sup> August, 2017
Results for the quarter ended 30 <sup>th</sup> Sep, 2017	By 14 <sup>th</sup> November, 2017
Results for the quarter ended 31 <sup>th</sup> Dec, 2017	By 14 <sup>th</sup> February, 2018
Results for the quarter ended 31 <sup>st</sup> March, 2018	By 30 <sup>th</sup> May, 2018



**Book Closure Dates:** Wednesday, 13th September, 2017 to 20th September, 2017 (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, 2017, 52752360 equity shares representing 34.87% of the company's total paid up capital had been dematerialized.

### **STOCK DATA**

Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at Bombay Stock Exchange Limited (BSE) for the year 2016-17. (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, 2016	1.31	1.15	30
May, 2016	1.22	1.00	61
June, 2016	1.10	0.87	70
July, 2016	1.05	0.79	71
August, 2016	1.05	0.83	76
September, 2016	1.12	0.86	63
October, 2016	1.11	0.82	41
November, 2016	1.44	1.15	103
December, 2016	1.49	1.16	65
January, 2017	1.57	1.17	60
February, 2017	1.64	1.38	80
March, 2017	1.49	1.12	25

**Distribution of shareholding as at 31/03/2017:**

Distribution of shareholding of the equity shares of the company by size and ownership class as on 31/03/2017 is as under:

(a) Shareholding pattern by size:

Shareholding of Nominal Value of Rs	No. of Shareholders	% to Total	No. of Shares (Rs.)	% to Total
Upto 5000	3135	63.4	6168538	2.04
5001 to 10000	839	16.97	6951760	2.30
10001 to 20000	495	10.01	7211316	2.38
20001 to 30000	231	4.67	5796846	1.92
30001 to 40000	50	1.01	1777314	0.59
40001 to 50000	29	0.59	1351966	0.45
50001 to 100000	62	1.25	4667686	1.54
100001 to above	106	2.1	268581962	88.78
<b>Total</b>	<b>4497</b>	<b>100.00</b>	<b>302507388</b>	<b>100.00</b>

(b) Shareholding Pattern by ownership:

Category	No of Shares held	Voting Strength (%)
Promoters Holding	38375457	25.37
Non-Promoter Holding	112878237	74.63

**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)

**Non- Mandatory Requirements:**

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

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

PLACE: Baddi  
DATE : 25/08/2017

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

Sturdy Industries Limited (incorporated in 1989) is the flagship of the prominent Rs 500-Cr Chemiplast Group (established in 1975). Our business interests comprises Irrigation Systems- Drip & Sprinkler Irrigation, Power generation products- Aluminium Conductors, cables, wire rods, I.T. Infrastructure products- HDPE PLB Ducts. The Company has successfully sailed through the turbulent waters of overall economic recession and today the company is a leading manufacturer of specialized irrigation system and aluminium conductors in India. The Company's product portfolio is increasing. The company has already ventured into the Power Sector and the Management is working on the same so that the ambit of the company widens and the Company can grow steadfast in the new areas. The core competence of the Company remains to add on activities which are the need of the hour and be a leader in the Industry. During the year under review the company has achieved a turnover of Rs. 3985842071.11, as compared to the previous year turnover of Rs. 4237324553.87. The turnover of the company has fallen substantially. The Financial expenses of the company have decreased during the year. The Company has incurred a loss of Rs. 39265167 during the financial year under review. The Company has met the standards set by the Management and the Management is committed to scale new heights and peaks in the times to come. The company has been further strengthened and able to compete in original sector with large players. The driving force behind the Company's success is the able guidance and experience of Mr. M. L. Gupta and Mr. Ramesh Gupta. The management's vision to be a Leader in the Industry is being achieved and the commitment to achieve this is unmatched.

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

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

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

### **III. OUTLOOK :**

The key products of the Company are as follows:

- >Micro Irrigation Systems, sprinkler and drip irrigation systems and HDPE, PVC and LLDPE pipes. The SWATI brand of the Company products have made a mark for itself in the Industry
- > Metallic/colored Aluminium Composite panels and sheets with SUNBOND brand name well accepted in the market.

- > Power transmission and distribution infrastructure comprising Aluminium conductors, cables and aluminium wires.
- > The new line being added to the company's product portfolio is venturing into the Power Sector i.e. by setting up of EPC division.

#### EXPORTS:

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

#### IV. RISKS AND CONCERNS:

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

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

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

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

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

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

##### **Specific Risks:**

We have identified the some specific risks that need more detailed attention in the present circumstances and business of the Company. The Company is structurally 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.

**V. INTERNAL CONTROL SYSTEM:**

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

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

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

**VIII. CAUTIONARY STATEMENT:**

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

**IX. CORPORATE IMAGE BUILDING:**

Sturdy continued with the corporate image building initiatives in 2016-17 with focus on the Customer contact programs. Emotional Connect initiatives such as performing puja during the delivery of goods and customer meets were organized. This along with well-planned media relations activities made sure Sturdy's growth story was present in the mass media throughout the year. Sturdy explored branding and communications with a view to explore both, external and internal communications to best effect. Our credit screens and processes are aligned to deliver superior customer service to our target customers who are largely first time buyers and small customers in deeper reaches of rural and semi urban India. On the other hand our Captive Suvridha team focuses on converting our existing customers into lifelong customers. Sturdy continues to invest time and money in further refining sales processes and systematic measurement of process metrics, aimed at improving efficiency and customer satisfaction. Significant investments in branch network and sales force automation will hold the key to winning customers in an ever increasing competitive environment.

**X. FUTURE PROSPECTS:**

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

**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 31st March 2017 as stipulated in the listing regulations of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015.

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

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

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

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

PLACE: CHANDIGARH  
DATE : 24/08/2017

-sd-  
(CA GURDEV BASSI)  
FCA, PARTNER



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF STURDY INDUSTRIES LIMITED**

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

We have audited the accompanying financial statements of **Sturdy Industries Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as financial statement).

#### **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 financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at 31 March, 2017, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its Financial position.
    - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company as on 31 March, 2017.
    - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on management representation we report that disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

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

Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009

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

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

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

- 7) According to information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
  - According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

c) Details of dues of Excise Duty which have not been deposited as on March 31, 2017 on account of disputes are given below:

<b>Name of the Statute (Nature of Dues)</b>	<b>From where Dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount involved (Rs. In Lacs)</b>
Central Excise Act	Tribunal	2010-11	13.00
	Commissioner	2002-03	29.42
		2004-05 to 2013-14	201.87
		2014-15	77.71

- Based on the audit procedures performed and the information and explanations given by the management Company has not defaulted in the repayment of dues to banks. The banks under consortium has sanctioned SDR on dated 24.10.2016 in respect of all the facilities availed by the Company.
- Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

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

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

Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009

PLACE: Chandigarh  
DATED: 31/05/2017

## **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 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

PLACE: Chandigarh  
DATED: 31/05/2017

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

Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009

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

CIN:L25209HP1989PLC009557

Balance Sheet as at 31st March, 2017

Particulars	Note No	As At 31/03/2017	As At the 31/03/2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	322507388.00	168228620.00
(b) Reserves and Surplus	2	84574555.31	104367793.49
(c) Money received against share warrants		0.00	0.00
<b>(2) Share application money pending allotment</b>		0.00	0.00
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	1355300613.00	1639441851.00
(b) Deferred tax liabilities (Net)	4	72656126.77	60597293.77
(c) Other Long term liabilities		0.00	0.00
(d) Long term provisions	5	7071066.00	76730316.11
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	947027023.78	908874043.78
(b) Trade payables	7	420325263.64	600686900.40
(c) Other current liabilities	8	110600000.00	47952000.00
(d) Short-term provisions	9	3881724.07	5980987.35
<b>Total</b>		<b>3323943760.58</b>	<b>3612859805.91</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	10	681335723.51	799817848.77
(ii) Intangible assets		7639920.00	7639920.00
(iii) Capital work-in-progress	10	9967719.00	9197719.00
(iv) Intangible assets under development		0.00	0.00
(b) Non-current investments	11	3106500.00	5106500.00
(c) Deferred tax assets (net)		0.00	0.00
(d) Long term loans and advances	12	156158563.65	123699435.50
(e) Other non-current assets		0.00	0.00
<b>(2) Current assets</b>			
(a) Current investments		0.00	0.00
(b) Inventories	13	434532232.97	885613168.84
(c) Trade Receivables	14	1760423521.36	1593212987.43
(d) Cash and cash equivalents	15	87862768.78	83099527.23
(e) Short-term loans and advances	16	182701608.31	102963113.14
(f) Other current assets	17	215203.00	2509586.00
<b>Total</b>		<b>3323943760.58</b>	<b>3612859805.91</b>

Notes to Accounts &amp; Accounting Policies

25

**AUDITOR' REPORT**

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

**CHARTERED ACCOUNTANTS,**  
**Firm Registration No 001099N**

sd/-

CA Gurdev Bassi

PARTNER

Membership No 092009

Dated : 31/05/2017

Place : Chandigarh

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

sd/-

(RAMESH GUPTA) (AMIT GUPTA)

DIRECTOR

DIN-0161363

sd/-

DIRECTOR

DIN-0161417



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

**CIN:L25209HP1989PLC009557**

**Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars	Note No	As At 31/03/2017	As At the 31/03/2016
<b>I. Revenue from operations</b>	18	3,985,842,071.11	4,237,324,553.87
<b>II. Other Income</b>	19	113,455,849.39	52,824,279.14
<b>III. Total Revenue (I +II)</b>		<b>4,099,297,920.50</b>	<b>4,290,148,833.01</b>
<b><u>IV. Expenses:</u></b>			
Cost of materials consumed	20	3,639,412,361.33	4,125,772,566.47
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	21	201,293,977.81	(124,023,884.20)
Employee benefit expense	22	35,861,166.00	28,831,666.98
Financial costs	23	105,117,687.11	244,903,205.79
Depreciation and amortization expense		68,600,342.00	87,695,112.18
Other expenses	24	76,218,720.25	97,579,863.30
<b>Total Expenses</b>		<b>4,126,504,254.50</b>	<b>4,460,758,530.52</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(27,206,334.00)	(170,609,697.51)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(27,206,334.00)	(170,609,697.51)
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>(27,206,334.00)</b>	<b>(170,609,697.51)</b>
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		12,058,833.00	(53,188,238.38)
<b>XI. Profit(Loss) from the perid from continuing operations</b>	(VII-VIII)	<b>(39,265,167.00)</b>	<b>(117,421,459.13)</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XVI. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

Notes to Accounts & Accounting Policies

25

**AUDITOR' REPORT**

as per our separate report

of even date annexed hereto

for B.M.VARMA AND CO.

**CHARTERED ACCOUNTANTS,**

**Firm Registration No 001099N**

on behalf of the Board,

for **STURDY INDUSTRIES LTD.**

sd/-

**CA Gurdev Bassi**

**PARTNER**

**Membership No 092009**

**Dated : 31/05/2017**

**Place : CHANDIGARH**

sd/-

(RAMESH GUPTA) (AMIT GUPTA)

**DIRECTOR**

**DIN-0161363**

sd/-

**DIRECTOR**

**DIN-0161417**

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

**CIN:L25209HP1989PLC009**

**Note 1 SHARE CAPITAL**

<u>Particulars</u>	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
<b><u>Authorised</u></b>				
Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/-each	177,500,000	355,000,000.00	82,500,000	165,000,000.00
<b><u>Issued</u></b>				
Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/- each	151,253,694	302,507,388.00	74,491,850	148,983,700.00
<b><u>Subscribed &amp; fully Paid up</u></b>				
Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/-each fully paid	151,253,694	302,507,388.00	74,114,310	148,228,620.00
<b><u>Subscribed but not fully Paid up</u></b>				
Preference shares of Rs 100/- each	-	-	-	-
Equity Shares of Rs. 2/- each, not fully paid up	-	-	-	-
<b>Total</b>	<b>151,453,694</b>	<b>322,507,388.00</b>	<b>74,314,310</b>	<b>168,228,620.00</b>

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

<u>Particulars</u>	<b>Preference Shares</b>			
	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
Shares outstanding at the beginning of the year	200,000	20,000,000.00	200,000	20,000,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	200,000	20,000,000.00	200,000	20,000,000.00

<u>Particulars</u>	<b>Equity Shares</b>			
	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
Shares outstanding at the beginning of the year	74,491,850	148,983,700.00	74,491,850	148,983,700.00
Shares Issued during the year	76,761,844	153,523,688.00	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	151,253,694	302,507,388.00	74,491,850	148,983,700.00

**Note 1.2**

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

Particulars	Nature of Relationship	As at 31 March 2017	As at 31 March 2016
Equity Shares	NIL	NIL	NIL

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

Name of Shareholder	Preference Share			
	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Aravali Industries limited	110000	55	110000	55
Name of Shareholder	Equity Shares			
	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Punjab National Bank	45376108	30		
Allahabad Bank	31763276	21		
Shri Ramesh Gutpa			6727501	9.03
M.L Gupta and Sons(HUF)			3820216	5.13
M.L Gupta			4476778	6.01
Alpine Capital Services Limited			5301100	7.12

**Note 1.4**

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

**Note 1.5 Unpaid Calls**

Particulars	Amount
By Directors	NIL
By Officers	NIL

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

**Note 2 Reserve & Surpluses**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
<b>A. Securities Premium Account</b>		
Opening Balance	69,636,000.00	69,636,000.00
Add : Securities premium credited on Share issue		-
Less : Premium Utilised for various reasons	-	
Premium on Redemption of Debentures		-
For Issuing Bonus Shares	-	
<b>Closing Balance</b>	<b>69,636,000.00</b>	<b>69,636,000.00</b>
<b>B. Revaluation Reserve</b>		
Opening Balance	143,285,614.00	110,938,000.00
(+) Current Year Transfer	-	32,347,614.00
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>143,285,614.00</b>	<b>143,285,614.00</b>
<b>C. Other Reserves</b>		
<b>General Reserve</b>		
Opening Balance	16,439,031.26	9,095,131.26
(+) Current Year Transfer ( swap ratio difference due to merger with TAL)		7,343,900.00
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>16,439,031.26</b>	<b>16,439,031.26</b>
<b>D. Subsidy</b>		
Opening Balance	140,695,649.00	375,600.00
(+) Current Year Transfer		140,320,049.00
(-) Written Back in Current Year	-	
<b>Closing Balance</b>	<b>140,695,649.00</b>	<b>140,695,649.00</b>
<b>D. Surplus</b>		
Opening balance	(265,688,500.77)	(31,143,792.26)
(+) Net Profit/(Net Loss) For the current year	(39,265,167.00)	(228,590,815.51)
(-)(+) Provision for Taxation /Adj.	(1,298,337.59)	-
Add/Less: Additional Depreciation pursuant to enactment of Schedule II of the Companies Act 2013	20,770,266.41	<b>5,953,893.00</b>
<b>Closing Balance</b>	<b>(285,481,738.95)</b>	<b>(265,688,500.77)</b>
j		
<b>Total</b>	<b>84,574,555.31</b>	<b>104,367,793.49</b>

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

**CIN:L25209HP1989PLC009557**

**Note 3 Long Term Borrowings**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>Secured</b>		
<b>(a) Term loans from Banks</b> (of the above, ` 100 % is guaranteed by Directors and Promoters / Others )	894,549,998.00	
<b>(b) Commercial Vehicle loans</b>		1,154,369,956.00
- Punjab National Bank- Parwanoo	-	-
<b>Unsecured</b>		
<b>(a) Term Loan</b> from Corporates	387,353,182.00	406,974,462.00
	1,281,903,180.00	1,561,344,418.00
	-	-
<b>Deposits</b>	73,397,433.00	78,097,433.00
<b>Total</b>	<b>1,355,300,613.00</b>	<b>1,639,441,851.00</b>

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

<b>Nature of Security</b>	<b>Terms of Repayment</b>
1. Working Capital Term Loan From PNB Amounting to Rs. 6538.00 Lacs. 2. FITL From PNB Amounting to Rs. 1835.97 Lacs. 3. Working Capital Term Loan From Allahbad Bank Amounting to Rs.931.01 Lacs 4. FITL From Allahbad Bank Amounting to Rs. 154.48 (Lacs) .The above said Term Loan secured by Hyp. of Block of assets both present & Future and 100% Guarantee of Directors.	1. Repayment in 72 Monthly Instalments Commencing from April, 2016. ROI 11.50 % P.A. as at year end. 2. Repayment in 30 Monthly Installments Commencing from Oct. 2015 ROI 11.50% P.A.. 3.Repayment in 72 Monthly Installments Commencing from April,2016 ROI 11.50% P.A. 4. Repayment in 30 monthly Installments Commencing from Oct. 2015 ROI 11.50% P.A.
2. Term Loan Amounting to Rs. 3072.13 Lacs ( Rs. 3301.82 Lacs) As on 31.03.2014 ) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Assam.	2. Repayment in 48 Monthly Instalments Commencing from April, 2016. ROI 11.50 % P.A. as at year end (P. Year NIL P.A. )
3. Term Loan Amounting to Rs.4.00 Lacs ( Rs.13.09 lacs As on 31.03.2014 ) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Baddi	3. Repayment in 35 Monthly Instalments Commencing from Feb, 2013. ROI 11.25 % P.A. as at year end ( previous Year NIL P.A. )

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

**Note 4 Deferred Tax Liabilities**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
Opening Balance	60,597,293.77	2,616,175.77
Add/Less : During the Year	12,058,833.00	57,981,118.00
<b>Total</b>	<b>72,656,126.77</b>	<b>60,597,293.77</b>

**Note 5 Long Term Provisions**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
<b>(a) Provision for employee benefits</b> Gratuity (unfunded), Leave Encashment	6,232,574.00	4,219,205.00
<b>(b) Others</b> Securities Deposit	838,492.00	72,511,111.11
<b>Total</b>	<b>7,071,066.00</b>	<b>76,730,316.11</b>

**Note 6 Short Term Borrowings**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
<b><u>Secured</u></b>		
<b>(a) Loans repayable on demand</b> Working Capital Limits From Banks  (Secured By Hyp.of Stocks and Book Debts both Present and Future)  (of the above, ` 100 % is guaranteed by Directors and Promoters / Others )	932,504,065.48	885,038,656.48
	932,504,065.48	885,038,656.48
<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 2. Amount	- -	- -
<b><u>Unsecured</u></b>		
<b>(a) Loans repayable on demand</b> ICICI Bank for Balco Channel Financing	14,522,958.30	23,835,387.30
<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 2. Amount	- -	- -
<b>Total</b>	<b>947,027,023.78</b>	<b>908,874,043.78</b>

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

**Note 7 Trade Payables**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
Sundry Creditors	420,325,263.64	580,237,961.15
Advances from Customers	-	20,448,939.25
<b>Total</b>	<b>420,325,263.64</b>	<b>600,686,900.40</b>

**Note 8 Other Current Liabilities\***

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
(a) Current maturities of long-term debt Punjab National Bank - Term Loans	110,600,000.00	47,952,000.00
(b) Other payables (specify nature) Punjab National Bank - Commercial Vehicle T/L	-	-
<b>Total</b>	<b>110,600,000.00</b>	<b>47,952,000.00</b>

**Note 9 Short Term Provisions**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
<b>(a) Provision for employee benefits</b>	1,514,477.00	1,875,690.00
<b>(b) Others</b>	-	1,715,221.35
T.D.S. Payable	-	1,572.00
Excise Duty Payable	-	0
Entry tax Payable	27,460.00	13,869.00
Audit Fee Payable	200,000.00	180,000.00
Vat Payable	1,085,339.53	863,125.00
CST Payable	2,121.54	71,659.00
Electricity and Water Charges	1,052,326.00	1,259,851.00
<b>Total</b>	<b>3,881,724.07</b>	<b>5,980,987.35</b>

**Note 11 Non Current Investment**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>A Trade Investments (Refer A below)</b>		
(b) Investment in Equity instruments	2,006,500.00	2,006,500.00
(f) Investments in Mutual Funds	100,000.00	2,100,000.00
(h) Other non-current investments (specify nature)	1,000,000.00	1,000,000.00
<b>Total (A)</b>	<b>3,106,500.00</b>	<b>5,106,500.00</b>
<b>B Other Investments (Refer B below)</b>		
(h) Other non-current investments (specify nature)	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A + B)</b>	<b>3,106,500.00</b>	<b>5,106,500.00</b>
Less : Provision for dimunition in the value of Investments	-	-
<b>Total</b>	<b>3,106,500.00</b>	<b>5,106,500.00</b>

Particulars	As at 31 March 2017	As at 31 March 2016
Aggregate amount of quoted investments at Market Price	7,000,681.96	6,483,246.93
Aggregate amount of unquoted investments	3,900,000.00	3,900,000.00
<b>Total</b>	<b>10,900,681.96</b>	<b>10,383,246.93</b>

**Note 12 Long Term Loans and Advances**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>a. Security Deposits /Earnest Monies</b>		
Unsecured, considered good	40,911,548.28	37,036,541.28
ii) Balance with Excise, &	115,247,015.37	86,662,894.22
	156,158,563.65	123,699,435.50
<b>b. Loans and advances to related parties</b>		
Unsecured, considered good	0.00	-
	0.00	-
<b>Total</b>	<b>156,158,563.65</b>	<b>123,699,435.50</b>



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

**Note 13 Inventories**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
a. Raw Material (Valued at Cost or Market Price Whichever is Less)	132,609,682.79	383,496,308.85
b. Finished Goods (Cost or Market Price Whichever is less)	298,867,180.18	500,161,157.99
c. Work in Progress(Cost or Market Price Whichever is less)	-	-
e. Store & Spare (Cost or Market Price Whichever is less)	730,810.00	57,631.00
f. Packing Material (Cost or Market Price Whichever is less)	2,324,560.00	1,898,071.00
<b>Total</b>	<b>434,532,232.97</b>	<b>885,613,168.84</b>

**Note 14 Trade Receivable**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		502,585,287.2
Unsecured, considered good	879,155,237.72	
Less: Provision for doubtful debts	-	549,098.00
	879,155,237.72	503,134,385.20
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	881,817,381.64	1,090,078,602.23
Less: Provision for doubtful debts	549,098.00	-
	881,268,283.64	1,090,078,602.23
<b>Total</b>	<b>1,760,423,521.36</b>	<b>1,593,212,987.43</b>

**Note 15 Cash and Cash equivalents**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
a. Balances with banks	19,169,277.67	23,823,056.61
b. In Fixed Deposit	60,781,245.39	51,975,253.39
c. Cash in hand	7,912,245.72	7,301,217.23
<b>Total</b>	<b>87,862,768.78</b>	<b>83,099,527.23</b>

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

**CIN:L25209HP1989PLC009557**

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

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
<b>a. Others (specify nature)</b>		
Unsecured, considered good		
i) Advance Tax/TDS	914,799.00	4,169,934.00
ii) Balance with Excise, & Others Govt Authorities	53,707,745.78	60,477,645.35
III) Staff and Others	780,000.00	0
IV ) Prepaid Expenses	2,962,847.53	5,489,467.00
v) Advances to suppliers	124,336,216.00	32826066.79
Total - b	182,701,608.31	102,963,113.14
<b>Total a+b</b>	<b>182,701,608.31</b>	<b>102,963,113.14</b>

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

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
Intt. Accrued On FDR		2,282,683.00
Tools and Dies	269,003.00	283,629.00
Less: Written off	53,800.00	56,726.00
<b>Total</b>	<b>215,203.00</b>	<b>2,509,586.00</b>

**Note 18 Revenue from Operations**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
a. Sale of products;	4,136,428,375.31	4,412,887,360.76
b. Job Work	3,302,102.00	17,195,235.00
<u>Less:</u>		
Excise duty.	153,888,406.20	192,758,041.89
<b>TOTAL</b>	<b>3,985,842,071.11</b>	<b>4,237,324,553.87</b>

**Note 19 Other Income**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
Insurance Claim		-
Incentive	87,533,908.36	52,113,497.14
Others	25,921,941.03	710,782.00
<b>Total</b>	<b>113,455,849.39</b>	<b>52,824,279.14</b>

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

**CIN:L25209HP1989PLC009557**

**Note 20 Cost of Material Consumed**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>1. Raw Material</b>		
Opening Stocks of Raw Materials	377,932,326.85	445,571,007.98
ADD : Raw Material Purchased	3,373,486,681.32	4,273,295,318.87
ADD: Stock in Transit	-	61,213,048.47
Add:Stock Transfer Inward	413,298,948.30	
Less: Transfer Outward	(426,379,629.35)	(294,397,474.50)
Closing Stocks of Raw Material	132,609,682.79	377,932,326.85
<b>Cost of Raw Material Consumed (a)</b>	<b>3,605,728,644.33</b>	<b>4,107,749,573.97</b>
<b>2. Store and Spares</b>		
Opening Stock	57,631.00	524,170.00
Add: Purchases	3,357,788.00	2,493,684.20
Less: Closing Stock	730,810.00	57631.00
<b>Consumption of Stores and Spare (b)</b>	<b>2,684,609.00</b>	<b>2,960,223.20</b>
<b>3. Packing Material</b>		
Opening Stock	1,898,071.00	-
Add: Purchases	31,425,597.00	16,960,840.30
Less: Closing Stock	2,324,560.00	1,898,071.00
<b>Consumption of Packing Material (c)</b>	<b>30,999,108.00</b>	<b>15,062,769.30</b>
<b>Total (a+b+c)</b>	<b>3,639,412,361.33</b>	<b>4,125,772,566.47</b>

**Note 21 Change In Inventories**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
(a) Opening Stocks of Finished Goods	500,161,157.99	376,137,273.79
(b) Closing Stocks of Finished Goods	298,867,180.18	500,161,157.99
<b>Change In Inventories</b>	<b>201,293,977.81</b>	<b>(124,023,884.20)</b>

**Note 22 Employee Benefits Expenses**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
Salaries And Wages	24,844,527.00	21,632,653.98
Labour Welfare	640,411.00	560,475.00
E.S.I	430,464.00	408,303.00
Compansation to Employee	593,834.00	0.00
Director Remuneration	5,400,000.00	4500000.00
Provident Fund	1,418,751.00	1,416,017.00
Gratuity	2,533,179.00	314,218.00
<b>Total</b>	<b>35,861,166.00</b>	<b>28,831,666.98</b>

**Note 23 Finance Cost**

<u>Particulars</u>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
Interest On Term Loan	14,057,004.00	105,785,687.68
Bank Charges and Interest	91,060,683.11	139,117,518.11
<b>Total</b>	<b>105,117,687.11</b>	<b>244,903,205.79</b>

**STURDY INDUSTRIES LIMITED - BADDI H.P.**
**CIN:L25209HP1989PLC009557**
**Note 24 Other Expenses**

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
<b>A . Manufacturing Expenses</b>		
Electricity & Water Charges	8,453,196.00	11,618,236.00
Power & Fuel	7,830,197.50	7,350,228.35
Freight and Cartage	18,660,838.70	24,513,871.05
Repair and Maintainence		
Building	65,027.00	3,990.00
Plant and Machinery	4,329,117.00	2,245,748.14
Job Work	3,838,647.00	17,751,601.00
Wages	2,133,404.00	2,242,176.00
<b>Total - A</b>	<b>45,310,427.20</b>	<b>65,725,850.54</b>
<b>B . Administration Expenses</b>		
Printing & Stationery	377,125.75	452,074.50
Postage And Telegram	469,559.00	274,362.41
Telephone & Photostate	315,131.99	331,689.13
Vehicle Running And Maintenace	3,803,033.00	1,268,641.92
Travelling And Conveyance	2,342,829.42	1,068,188.00
Insurance Charges	1,285,641.26	1,040,795.80
Service Tax	1,653,920.00	1,594,314.00
Fees and Taxes	4,470,004.97	5,337,123.03
Listing Fee/ Annual custody fee	2,072,731.00	422,516.00
Audit Fee	222,000.00	316,713.00
Consultancy charges	2,995,714.00	2,546,820.00
Legal And Professional	1,386,267.00	1,722,003.00
Entry Tax	66,410.00	
General Expenses	162,489.00	189258.25
Web Site Charges & internet exp	21,794.00	26,280.00
Tender Expenses	55,000.00	25,000.00
Swatch Bharat Cess	34,049.00	0
Packing charges	119,812.00	117,475.00
Written Off	(5,653.78)	(2,954.69)
Donation	2,000,000.00	
Krishi Kalyan Cess	24,673.00	
Membership & subscriptions	-	6655
Tools and Dies Written off	53,800.00	56726
<b>Total - B</b>	<b>23,926,330.61</b>	<b>16,793,680.35</b>
<b>C. Selling and Distribution Expenses</b>		
Freight & Cartage Out wards	2,741,489.40	12,272,075.93
Advertising & Publicity	100,916.00	390,764.60
Testing Charges	2,043,942.00	1,283,534.00
Business Promotion	459,157.68	380,155.23
Discount & Rebate	477,897.36	733,802.65
Services Tax	154,176.00	
Commission On Sales	1,004,384.00	-
<b>Total - C</b>	<b>6,981,962.44</b>	<b>15,060,332.41</b>
<b>Total A + B + C</b>	<b>76,218,720.25</b>	<b>97,579,863.30</b>

<u>Payments to the auditor as **</u>	As at 31 March 2017	As at 31 March 2016
a. auditor ( Statutory )	148,125.00	217,177.00
b. for taxation matters	57,500.00	84,930.00
c. for other services( Such as issue of Limited Audit Review,Corporate governance report etc.	14,375.00	14,606.00
<b>Total</b>	<b>220,000.00</b>	<b>316,713.00</b>

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

**CIN:L25209HP1989PLC009557**

**Note 10 Fixed Assets**

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2016	Additions/ (Disposals) Subsidy	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation	Balance as at 31 March 2017	Transfer To Reserve and Surpluses	Balance as at 31 March 2017	Balance as at 31 March 2016
Tangible Assets (Not Under Lease)									
Land	155664683	0	155664683	0		0		155664683	155664683
Building	178330257.6	0	178330257.6	76732518.73	10269973.00	87002491.73	137643.00	91190122.86	99642044.82
Plant & Machinery	911405232.8	-71692619.11	839712613.7	336798918.34	57706407.00	394505325.3	16547781.41	428659506.9	542631931.1
Furniture & Fixture & Other Equipment	4472755.6	41175	4513930.6	795100.74	80438.00	875538.74	131835.00	3506556.86	677495.12
Vehicle	32213292.87	0	32213292.87	25401907.98	543524.00	25945431.98	3953007.00	2314853.889	1201694.72
<b>Total (i)</b>	<b>1282086222</b>	<b>-71651444.11</b>	<b>1210434778</b>	<b>439728445.8</b>	<b>68600342</b>	<b>508328787.8</b>	<b>20770266.41</b>	<b>681335723.51</b>	<b>799817848.77</b>
Previous Year	1249238608	<b>32847614</b>	1282086222	388648577.1	87665903.96	476314481.1	5953892	799817848.8	

## STURDY INDUSTRIES LIMITED

### Note No. 25 : SIGNIFICANT ACCOUNTING POLICIES

#### 1. SIGNIFICANT ACCOUNTING POLICIES.

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

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

##### ii Revenue Recognition :

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

##### iii Treatment of Expenses :

All expenses are accounted for on accrual basis.

##### iv Fixed Assets:

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

##### v Inventories :

a. Stock of raw material and consumables are carried at cost (computed on first-in-first-out basis) or Net Realizable Value, whichever is lower.

b. Stock of work-in-progress is value at cost upto the level of processed and includes cost of material consumed, labour and manufacturing overhead. However, there was no stock-in-progress at end the financial year.

c. Finished goods are value at cost of manufacturing (computed on first-in-first-out basis) or net realizable value, whichever is lower.

##### vi Depreciation / Amortization :

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

##### vii Taxes on Income :

a. Since the company has incurred cash losses during the Financial Year. No provision for Income tax has been made.

b. Deferred tax has been recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

#### **viii Earning Per Share :**

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

#### **ix Employees Benefits :**

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

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

##### **ii. Gratuity Fund**

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

#### **x Transaction in Foreign Currency :**

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

##### **xi. Investments :**

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

##### **xii. Borrowing Cost :**

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

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

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

##### **xiv Research and Development**

No Expenses have been incurred on Research and Development

##### **xv Impairment of Assets**

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

## **xvi Use of Estimates**

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

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

For STURDY INDUSTIRES LTD.

Sd/-  
CA Gurdev Bassi  
Partner  
Membership No 092009  
Date:31.05.2017  
Place:Chandigarh

Sd/-  
Ramesh Gupta  
Director  
DIN-00161363

Sd/-  
Amit Gupta  
Director  
DIN-00161417



## 26 NOTES TO THE ACCOUNTS

1. Previous year figures have been re-arranged, reworked, reclassified or re-grouped wherever necessary to make them comparable with the current year's figures and others disclosure for the proceeding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and others disclosures relating to the current year.
2. The company provides for gratuity in accordance with the payments of Gratuity Act,1972,a defined retirement plan (the plan) covering all employee.

3. Contingent Liability not provided for in respects of :	<b>Rs in (Lacs)</b>	
	<b>Current Year</b>	<b>Previous Year</b>
(a) Outstanding balance of Bank Guarantees	Rs 7142.00	Rs 7618.00
b) Outstanding balance of ILC/FLC	Rs 4459.00	Rs 4259.00
c) Liability against Export obligation for import of Raw Material	Rs 42.68	Rs NIL

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

4. In opinion of the Board of Directors, the Current Assets. Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
5. Estimated amount of Contracts (for Hydro Project at Rohru) remaining to be executed on Capital Account and not provided for net of advances Rs 99.67 Lacs(Previous Year Rs 91.97 Lacs)

### 6. **Payments to Auditors.**

<b>Current Year</b>	<b>Previous Year</b>
a) Statutory Audit Fee	148125                      220927
b) Tax Audit Fee	57500                              56180
c) Other Services	14375                                14606

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

Deferred Tax Liability/(Assets)	31 <sup>st</sup> March,2017	31 <sup>st</sup> March,2016
<b>Tax effect of items constituting deferred tax Liabilities</b> On difference between book balance and tax balance of assets	128455922	27312052
<b>Tax effect of items constituting deferred tax Assets</b> Unabsorbed Depreciation	44376953	-83949744
Gratuity	759954	0

Interest on Borrowing & Loans	3100000	
Business Loss C/f	68160182	
Net Deferred Tax Liability/(Assets)	12058833	-57981118

## 8. Segment Reporting

### Primary Segment

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

The above business segment have been identified considering:

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

Description	(Manufacturing)		Trading	Others	Total
	Plastic Pipes & Irrigations	Aluminum Division			
<b>A. Primary Segment Information</b>					
Segments Revenue					
Sales	20153.01	19326.45	378.95	1134.56	40992.98
Total Revenue	20153.01	19326.45	378.95	1134.56	40992.98
Segments Result					
Interest					1051.18
Profit/(Loss) before Tax					(272.06)
Provision For Current Tax					--
Profit/(Loss) after Tax					(272.06)
Segments Assets					
Capital Expenditure					--
Depreciation	9.86	599.40	--	76.74	686.00

### B. Secondary Segment

The Company caters mainly to the needs of Northern Markets

## 10.Related Party Disclosure

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

a) List of Related Parties:

Associated Companies

S.No	Name of the Related Party	Address	Relationship
1.	Chemiplast Industries	55-57,Industrial Area, Sector-1, Parwanoo	Associate Concern

Key management personnel and Relative:

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

### b) Transaction with related parties

Sr No	Partculars	31 <sup>st</sup> March ,2017	31 <sup>st</sup> March ,2016
1.	<b>Chemiplast Industries</b>		
	Goods Purchases	31056291	125026312

	Goods Sold	22958196	43804662
	Payments Received as Sundry Debtors	----	144184417
	Payments Made against Goods Supplied	25260722	218584751
<b>2</b>	Shri M.L Gupta ( Director's Remuneration )	18,00,000	15,00,000
	Shri Ramesh Gupta ( Director's Remuneration )	18,00,000	15,00,000
	Shri Amit Gupta ( Director's Remuneration )	18,00,000	15,00,000

## 11 : PAYMENTS TO DIRECTORS

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Salaries and Allowances</b>		
Shri M.L Gupta	18,00,000	15,00,000
Shri Ramesh Gupta	18,00,000	15,00,000
Shri Amit Gupta	18,00,000	15,00,000

### 12.Expenditure in Foreign Currency

	Current Year	Previous Year
Capital Assets	--	---
Aluminum, Granules Etc	--	--
Others	\$ 12209.00	--
<b>13. Earning in Foreign Exchange</b>	<b>\$ 6248122.70</b>	<b>\$ 488280.76</b>

### 14. Non Resident Holders Etc,

a) No of non resident shareholders	Nil	Nil
b) No of Share held by them	Nil	Nil

### 15.Earning Per Share

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

S.No	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
A)	Net Profit (Loss) After Tax	(27206334.00)	(170609697.50)

	Weighted Average number of equity share for basic EPS(Nos)	151253694	74114310
C)	Face value per Share	2	2
D)	Basic EPS (Rs)	--	--
E)	Diluted EPS (Rs)	---	--

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

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

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

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

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

**19. Trade receivables** include an amount of Rs. 14.38 Crores against which the Company has initiated arbitration legal actions for realization thereof from the customers. Further, trade receivables include claims raised by the Company on customers, including costs overrun due to reasons attributable to the customers in completion of the project, interest on overdue amounts and liquidated damages. The management is hopeful that the amount of trade receivables equivalent to the same as stated in the Balance Sheet as at March 31, 2017 will be realised out of the aforesaid proceedings. Further the Company has also initiated arbitration proceedings for a sum of Rs 10.24 Crores against Hyderabad Industries Ltd. on account of unrecovered lease Money and damages and overdue interest etc.

**20.** Details of Specified Bank Notes (SBN)held and transacted during the period from and November 2016 to 30 December 2016 as provided in the table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in Hand as on 08/11/2016	85.38	12.28	97.86
+ Permitted receipts	899.40	50.37	984.98
- Permitted payments	0.00	27.31	27.31
-Amount deposited in Banks	984.98	0.00	984.98
Closing Cash in hand as on 30/12/2016	0.00	35.34	35.34

**21** During the year Company has issued Equity Share to Punjab National Bank and Allahabad Bank under SDR arrangement. The Debt converted into Equity was Rs 154278768.00 which is consisted

Equity Share of 77139384 of 2 Each out of which 45376108 share issued to Punjab National Bank and 31763276 share issued to Allahabad Bank.

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

**Sd/-**

**CA Gurdev Bassi**  
**Partner**  
**Membership No 092009**  
**Date:31.05.2017**

for **STURDY INDUSTRIES LTD.**

**SD/-**

**Ramesh Gupta**  
**Director**  
**DIN-0161363**

**SD/-**

**Amit Gupta**  
**Director**  
**DIN-0161417**

**CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES**

Name of the Company : **STURDY INDUSTRIES LIMITED - BADDI H.P.**

Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		-27206334.00		-170609697.51
<u>Adjustments for:</u>				
Depreciation and amortisation	68600342.00		87695112.18	
Provision for impairment of fixed assets and intangibles	0.00		0.00	
Amortisation of share issue expenses and discount on shares	0.00		0.00	
(Profit) / loss on sale / write off of assets	0.00		0.00	
Expense on employee stock option scheme	0.00		0.00	
Finance costs	105117687.11		244903205.79	
Interest income	0.00		0.00	
Dividend income	0.00		0.00	
Net (gain) / loss on sale of investments	0.00		0.00	
Rental income from investment properties	0.00		0.00	
Rental income from operating leases	0.00		0.00	
Share of profit from partnership firms	0.00		0.00	
Share of profit from AOPs	0.00		0.00	
Share of profit from LLPs	0.00		0.00	
Liabilities / provisions no longer required written off	0.00		0.00	
Adjustments to the carrying amount of Fixed Assets	0.00		0.00	
Provision for losses of subsidiary companies	0.00		0.00	
Provision for doubtful trade and other receivables, loans and advances	0.00		0.00	
Provision for estimated loss on derivatives	0.00		0.00	
Provision for warranty	0.00		0.00	
Provision for estimated losses on onerous contracts	0.00		0.00	
Other Adjustment	-999394.00		-2539141.00	
Other non-cash charges (specify) Income Tax Refund	0.00		0.00	
Net unrealised exchange (gain) / loss	0.00	172718635.11	0.00	330059176.97
Operating profit / (loss) before working capital changes		145512301.11		159449479.46
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	451080935.87		-63380717.07	
Trade receivables	-167210533.93		447722345.44	
Short-term loans and advances	-79738495.17		21609860.02	
Long-term loans and advances	-32459128.15		-88367117.22	
Other current assets	2294383.00		-1354150.00	
Other non-current assets	2000000.00		3097609.22	
	0.00		0.00	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-180361636.76		-384771087.47	
Other current liabilities	62648000.00		47551431.14	
Other Short-term liabilities	38152980.00		38599229.76	
Short-term provisions	-2099263.28		-3611012.96	
Long-term provisions	-69659250.11	24647991.47	101130.00	17197520.86
		170160292.58		176647000.32
Cash flow from extraordinary items				
Cash generated from operations		170160292.58		176647000.32
Net income tax (paid) / refunds		-1298337.59		0.00
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>168861954.99</b>		<b>176647000.32</b>

**CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES**

**Name of the Company : STURDY INDUSTRIES LIMITED - BADDI H.P.**

**Cash Flow Statement for the year ended 31 March, 2017 (Contd.)**

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	70881444.11		-537200.00	
Proceeds from sale of fixed assets	0.00		0.00	
Inter-corporate deposits (net)	0.00		0.00	
Bank balances not considered as Cash and cash equivalents	0.00		0.00	
- Placed	0.00		0.00	
- Matured	0.00		0.00	
Current investments not considered as Cash and cash equivalents	0.00		0.00	
- Purchased	0.00		0.00	
- Proceeds from sale	0.00		0.00	
Purchase of long-term investments	0.00		0.00	
- Subsidiaries	0.00		0.00	
- Associates	0.00		0.00	
- Joint ventures				
- Business units	0.00		0.00	
- Others	0.00		0.00	
Proceeds from sale of long-term investments	0.00		0.00	
- Subsidiaries	0.00		0.00	
- Associates	0.00		0.00	
- Joint ventures	0.00		0.00	
- Business units	0.00		0.00	
- Others	0.00		0.00	
Loans given	0.00		0.00	
- Subsidiaries	0.00		0.00	
- Associates	0.00		0.00	
- Joint ventures	0.00		0.00	
- Others	0.00		0.00	
Loans realised	0.00		0.00	
- Subsidiaries	0.00		0.00	
- Associates	0.00		0.00	
- Joint ventures	0.00		0.00	
- Others	0.00		0.00	
Interest received	0.00		0.00	
- Subsidiaries	0.00		0.00	
- Associates	0.00		0.00	
- Joint ventures	0.00		0.00	
- Others	0.00		0.00	
Dividend received	0.00		0.00	
- Subsidiaries	0.00		0.00	
- Associates	0.00		0.00	
- Joint ventures	0.00		0.00	
- Others	0.00		0.00	
Rental income from investment properties	0.00		0.00	
Rental income from operating leases	0.00		0.00	
Amounts received from partnership firms	0.00		0.00	
Amounts received from AOPs	0.00		0.00	
Amounts received from LLPs	0.00		0.00	
Amounts received from Capital Subsidy	0.00	70881444.11	140320049.00	139782849.00
Cash flow from extraordinary items		0.00		0.00
Net income tax (paid) / refunds		0.00		0.00
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>70881444.11</b>		<b>139782849.00</b>

**CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES**

Name of the Company : **STURDY INDUSTRIES LIMITED - BADDI H.P.**

Cash Flow Statement for the year ended 31 March, 2017 (Contd.)

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	154278768.00		0.00	
Proceeds from issue of preference shares	0.00		0.00	
Redemption / buy back of preference / equity shares	0.00		-10412300.00	
Proceeds from issue of share warrants	0.00		6588820.00	
Share application money received / (refunded)	0.00		0.00	
Proceeds from long-term borrowings	0.00		0.00	
Repayment of long-term borrowings	-284141238.00		-97445028.00	
Net increase / (decrease) in working capital borrowings	0.00		0.00	
Proceeds from other short-term borrowings	0.00		0.00	
Repayment of other short-term borrowings	0.00		0.00	
Finance cost	-105117687.11		-244903205.79	
Dividends paid	0.00		0.00	
Tax on dividend	0.00	-234980157.11	0.00	-346171713.79
Cash flow from extraordinary items		0.00		0.00
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>-234980157.11</b>		<b>-346171713.79</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>4763241.99</b>		<b>-29741864.47</b>
Cash and cash equivalents at the beginning of the year		83099527.23		112841391.89
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.00		0.00
<b>Cash and cash equivalents at the end of the year</b>		<b>87862768.78</b>		<b>83099527.23</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		87862768.78		83099527.23
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		0.00		0.00
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13		<b>87862768.78</b>		<b>83099527.23</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		0.00		0.00
<b>Cash and cash equivalents at the end of the year *</b>		<b>87862768.78</b>		<b>83099527.23</b>
* Comprises:				
(a) Cash on hand	7912245.72		7301217.23	
(b) Cheques, drafts on hand	0.00		0.00	
(c) Balances with banks				
(i) In current accounts	19169277.67		23823056.61	
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature) ( FDR with Banks)	60781245.39	87862768.78	51975253.39	83099527.23
(e) Current investments considered as part of Cash and cash equivalents		0.00		0.00
		<b>87862768.78</b>		<b>83099527.23</b>
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
<b>See accompanying notes forming part of the financial statements</b>				
In terms of our report attached.				
<b>For B.M. VARMA &amp; CO.</b>	<b>For and on behalf of the Board of Directors</b>			
Chartered Accountants	<b>for Sturdy Industries Limited</b>			
sd/-	sd/-		sd/-	
<b>(CA Gurdev Bassi)</b>	<b>(Ramesh Gupta)</b>		<b>(Amit Gupta)</b>	
<b>Partner</b>	<b>Director</b>		<b>Director</b>	
<b>Membership No 092009</b>	<b>DIN-0161363</b>		<b>DIN-0161417</b>	
Place : Chandigarh				
Date : 31.05.2017				



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



# STURDY INDUSTRIES LIMITED

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

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

Fax no.: 01792-232770

## Form MGT 11

### PROXY FORM

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

Name of the member(s) : \_\_\_\_\_

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

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

Folio No./Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

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

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

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

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, the 20th day of September 2017 at 09.30 A.M. at Plot No. 21, Industrial Area, Baddi, Himachal Pradesh and at any adjournment thereof in respect of such resolutions as indicated below:-

#### Ordinary Business:

1. To receive, consider and adopt the Standalone Balance Sheet as at 31<sup>st</sup> March, 2017, Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2017 for and reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Ramesh Gupta (DIN 00161363), Whole Time Director of the Company who retires by rotation and being eligible offers himself for the re-appointment.
3. To appoint statutory auditors of the company and fix their remuneration.

#### Special Business:

4. Ratification of Remuneration to the Cost Auditor
5. To ratify re-appointment and fix the terms of appointment of Mr. Mohan Lal Gupta (00161184) as Managing Director of the company

# STURDY INDUSTRIES LIMITED

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

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

Fax no.: 01792-232770

6. To ratify the re-appointment and fix the terms of appointment of Mr. Ramesh Gupta (00161363) as Whole Time Director of the company
7. To ratify the re-appointment and fix the terms of appointment of Mr. Amit Gupta (00161417) as Whole Time Director of the company
8. TO ACCORD CONSENT FOR THE OFFLOADING OF 26% EQUITY SHARES ALLOTTED TO LENDING BANKERS PURSUANT TO THE INVOCATION OF SDR PACKAGE

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
revenue  
stamp

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder

(s)Note:

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

# STURDY INDUSTRIES LIMITED

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

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

Fax no.: 01792-232770

## ATTENDANCE SLIP

(To be presented at the entrance)

**Sturdy Industries Ltd.**

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

Name of the Member

\_\_\_\_\_Signature\_\_\_\_\_

Name of the Proxy holder\_\_\_\_\_Signature\_\_\_\_\_

I, hereby record my presence at the **28th** Annual General Meeting of the Company, to be held on **Wednesday, the 20<sup>th</sup> day of September 2017 at 09.30 A.M.**

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