

**19th
Annual Report
2007**



STURDY INDUSTRIES LTD.



STURDY INDUSTRIES LTD.

BOARD OF DIRECTORS

M.L. GUPTA
S.S. GUPTA
RAMESH GUPTA
AMIT GUPTA
SHAM MOHAN LAL
DEVINDER NATH SHARMA
ASHOK BHATIA
SURESH GAUR

AUDITORS

BANSAL SATISH & ASSOCIATES
CHARTERED ACCOUNTANTS
CHANDIGARH

BANKERS

PUNJAB NATIONAL BANK, PARWANOO

REGISTERED OFFICE

21, INDUSTRIAL AREA,
BADDI - 173 205
DISTT. SOLAN

ADMINISTRATIVE OFFICE

55-57, INDUSTRIAL AREA,
SECTOR 1, PARWANOO
DISTT. SOLAN

SHARE DEPARTMENT

SCO 47, SECTOR 20-C,
CHANDIGARH - 160 020

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STURDY INDUSTRIES LTD.

NOTICE

Notice is hereby given that the ensuing Annual General Meeting of the company will be held on Saturday 29th September 2007 at the Registered Office of the Company at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the period ended at that date alongwith the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Mr. S.S. Gupta who retires by rotation and being eligible offers himself for re-appointment as Director of the Company.
3. To appoint a Director in place of Sham Mohan Lal who retires by rotation and being eligible offers himself for re-appointment as Director of the Company.
4. To appoint M/s Bansal Satish & Associates as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration

"Resolved that M/s Bansal Satish & Associates, Chartered Accountants be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next annual General Meeting at remuneration as may be decided by the Board of Directors in consultation with the Auditors."

PLACE: BADDI

DATED: 01-09-2007

FOR AND ON BEHALF OF THE BOARD
OF STURDY INDUSTRIES LIMITED

Sd/-
(DIRECTOR)



STURDY INDUSTRIES LTD.

NOTES :

- 1) A member entitled to attend and vote at the meeting and is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting. Those members who hold shares in the physical form are requested to write their Folio number in the attendance slip for attending the meeting.
- 3) The Register of members will remain closed on from 25th September (Tuesday) to 29th September (Saturday) (both days inclusive).
- 4) Corporate Members intending to send their authorised representatives are requested to send a to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 5) The Members are requested to intimate to the Company regarding the change of their addresses if any.

PLACE: BADDI

DATED: 01-09-2007

FOR AND ON BEHALF OF THE BOARD

OF STURDY INDUSTRIES LIMITED

Sd/-

(DIRECTOR)



STURDY INDUSTRIES LTD.

DIRECTOR'S REPORT

To
The Members,
of STURDY INDUSTRIES LIMITED
Baddi (HP)

Your Directors have immense pleasure in presenting the Nineteenth Annual Report of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended 31st March 2007 is summarized below

Particulars	31.03.2007	(Rs. in Lacs) Financial Year
		31.03.2006
Income From Operations	7077.52	6095.05
Total Expenses	6968.63	6000.38
Financial Charges	281.97	211.67
Depreciation	126.57	188.46
NET PROFIT BEFORE TAX	108.89	95.51
Provision For Taxes	12.22	8.03
Differed Tax	5.75	2.32
NET PROFIT AFTER TAX	90.92	85.15
Surplus carried to Balance Sheet (including previous year profit)	378.71	287.83
Paid Up Share Capital	808.12	808.12

REVIEW OF OPERATIONS AND FUTURE PROSPECTS:

During the year under review the company has achieved income from operations to a tune of Rs. 7077.52 Lacs as compared to the last year figure of Rs. 6095.05. The Net profit of the company is Rs. 90.92 Lacs as compared to Rs. 85.15 Lacs during the last year. The company has consolidated its position and it has been possible due to the concerted efforts of the Management of the Company under the able guidance and visionary approach of Mr. M.L. Gupta and Mr. Ramesh Gupta. The Company has improved its performance on all fronts and is spearheading in the right direction.

The company is maintained it quality for all the products and is committed to maintain the highest standards of quality. The production units of the company at Derabassi and Baddi are doing well. The Management foresees increase in the overall growth of the company in future and is committed to carry on with the same zeal

Primary Segments of the Company are as under:

- ★ Pipes, Sprinklers & Drip Irrigation Systems and others.
- ★ Asbestos Cement Sheet
- ★ Aluminum composite Sheets

The company has achieved a turnover of Rs. 7077.52 Lacs as compared to a turnover of Rs. 6095.90 Lacs during the previous year.



STURDY INDUSTRIES LTD.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 9,00,00,000/- (Rupees nine crores only) divided into 70,00,000 (Seventy lacs) equity shares of Rs. 10/- each and 2,00,000 (Two lacs) Preference Shares of Rs. 100/- each.

CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

The Corporate Governance practices followed by the company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder value while protecting the interests of all the stakeholders. The Report on the same is attached as Annexure-1

DIRECTORS

The Board of Directors of the Company is duly constituted and comprise of highly qualified and experienced members.

In accordance with the articles of association of the company, Mr.S.S.Gupta and Mr. Sham Mohan Lal, Directors retire by rotation at the company's forthcoming annual general meeting and being eligible offer themselves for re-appointment

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub section (2AA) of Section 217 of the Companies Act, 1956, the Directors confirm that:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure ;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv. The Directors have prepared the annual accounts on going concern basis

DIVIDEND

The Management decided to retain all the internal accruals and to utilize the same in the business; therefore, it has been decided by the Board to defer the declaration of dividend this year also.

PUBLIC DEPOSITS

The Company has neither accepted any deposit from the public nor renewed the deposits which fall within the ambit of Section 58A, 58AAA of the Company's Act, 1956 and the rules framed thereunder, during the year under review



STURDY INDUSTRIES LTD.

PARTICULARS OF THE EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and Companies (Disclosure in the particulars in the report of Board of Directors) Rules, 1988 is not required as none of the Director/ Employee was in receipt of remuneration of Rs. 2, 00,000/- or more per month or Rs. 24, 00,000/- per annum in the aggregate

NOTES ON ACCOUNTS

The observations of the auditors and notes on accounts are adequately explained to the Company through the Notes on Accounts. Hence no separate comments are required by the Directors on the Report of the Statutory Auditors.

AUDITORS

M/s. Bansal Satish and Associates, Chartered Accountants, Chandigarh, the Statutory Auditors of your Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a certificate from them as required under Section 224(1-B) of the Companies Act, 1956.

The Board recommends the appointment of M/s. Bansal Satish & Associates, Chartered Accountants, Chandigarh, as the Statutory Auditors of the Company for the financial year ending 31st March, 2008

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Pursuant to the provisions of Section 217 of the Companies Act, 1956 and rules thereunder, the required information is given in the annexure -1 to this Report.

INDUSTRIAL RELATIONS

The over all industrial relations have remained cordial throughout the year under review.

ACKNOWLEDGMENT

Your Directors wish to place on record their deep gratitude to the Departments of State/ Central Governments, Banks and other concerned authorities for their valuable co-operation and assistance. Your Directors also wish to place on record their appreciation of the wholehearted and continued support extended by the shareholders and the employees of the Company which had always been a source of strength for the Company.

FOR AND ON BEHALF OF THE BOARD

Place: Baddi
Dated: 01.09.2007

Sd/-
CHAIRMAN



STURDY INDUSTRIES LTD.

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Philosophy of the Company is based on the following principles:

- ★ The Highest ethical corporate values clearly defined
- ★ Management as trustees of stakeholders
- ★ Faith in individual potential and respect for human values.
- ★ Strict compliance with all governance codes, Listing Agreements, other applicable laws and regulations.

The Corporate Governance practices followed by the company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder value while protecting the interests of all the stakeholders

BOARD OF DIRECTORS

Composition and Category of Directors: The Company's policy is to have an appropriate mix of executive and non-executive, Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and Management. The present strength of the Board is eight (8) members, consisting of Sh. M.L.Gupta, Sh.Ramesh Gupta, Sh. S.S. Gupta, Sh. Amit Gupta, Sh. Sham Mohan Lal, Sh. Devinder Nath Sharma, Sh. Suresh Gaur and Sh. Ashok Bhatia.

Sh. M.L.Gupta is Chairman-cum-Managing Director and Sh. Ramesh Gupta, Sh. S.S.Gupta, Sh. Amit Gupta are non-executive non-independent Directors. Further Sh. Sham Mohan Lal, Sh. Devinder Nath Sharma, Sh. Suresh Gaur and Sh. Ashok Bhatia are non executive independent Directors. All the independent Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises. None of the non- executive independent director has any material pecuniary relationship with the Company.

Directors retiring by the rotation and are being considered for reappointment.

In accordance with the provisions of Companies Act, 1956 Sh. S.S. Gupta and Sh. Sham Mohan Lal will be retiring by rotation at the forthcoming Annual General Meeting. Being eligible they offer themselves for reappointment.

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

Board Meetings:

During the year ended on 31.03.2007 Board Meetings were held on 30th April 2007, 28th July 2006, 29th October 2006, 25th January 2007 and 18th March 2007.



STURDY INDUSTRIES LTD.

Details of attendance at Board Meetings during the year:

S. No.	Name of Director	Board meetings held During 2006-07	Total Attended
1.	Sh. M.L. Gupta	5	5
2.	Sh. Ramesh Gupta	5	5
3.	Sh. Amit Gupta	5	5
4.	Sh. S.S. Gupta	5	2
5.	Sh. Sham Mohan Lal	5	3
6.	Sh. Devinder Nath Sharma	5	3
7.	Sh. Ashok Bhatia	5	2
8.	Sh. Suresh Gaur	5	3

COMMITTEES OF DIRECTORS

The Board has constituted three committees viz-a-viz the Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration cum Compensation Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of references for these committees. Recommendations/Decisions of the Committees are submitted to the Board for approval. The Committees of Board are as follows:

AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of four members, all of them are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under:

- Sh. M.L. Gupta, Chairman-cum-member
- Sh. Ramesh Gupta, Member
- Sh. Suresh Gaur, Member
- Sh. Amit Gupta, Member

Terms of reference:

The terms of reference of the Audit Committee include:

- Reviewing with the Management, the financial statements before submission to the Board for approval.
- Compliance with the Listing and other related requirements relating to the Financial Statements.
- To appraise the Board on the impact of the accounting policies, accounting standards and legislation.
- To hold the periodical discussions with statutory auditors on the scope and content of the audit.
- To review the Company's financial and risk management policies.

During the year under review four meetings of the Committee were held.



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INVESTORS GRIEVANCE COMMITTEE

The Committee consists of the following Directors:

1. Sh. Ramesh Gupta - Non Executive Director
2. Sh. Sham Mohan Lal - Non Executive Independent Director
3. Sh. Amit Gupta - Non Executive Director

The committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares after transfer, non-receipt of dividends and to ensure expeditious share transfer and demat process undertaken by the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent/issued resolved usually within 15 days unless there is a dispute or other legal constraint.

No requests for share transfer are pending.

REMUNERATION-CUM-COMPENSATION COMMITTEE

The terms of reference of REMUNERATION COMMITTEE includes the determination of remuneration packages of the executive Directors including remuneration policy, pension rights and any compensation payment or stock options and to approve the payment of managerial remuneration upto the limits specified therein.

The Company has no pecuniary relationship or transaction with its Directors other than payment of monthly remuneration to Sh. M.L. Gupta.

The remuneration policy as drafted by the Company is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does not have an incentive plan which is linked to performance and achievement of the Company's Objective. The Company has no stock option scheme. The Company has constituted a Remuneration Committee to deal with matters pertaining to the fixation of remuneration of Director and other key managerial personnel.

GENERAL BODY MEETINGS

Date and Venue of last Annual General Meeting

	Date	Venue
Annual General Meeting	30-09-2006	Registered Office # 21, Industrial Area Baddi, Distt: Solan

DISCLOSURES

- a. Disclosures on materially significant related party transactions of the Company of the material nature, with the promoters, the directors or relatives, the management etc. that may have potential conflict with the interest of the Company at large.



STURDY INDUSTRIES LTD.

None of the transactions with any of the related parties were in conflict of the interest of the Company.

- b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI, or any other statutory authority, or any matter related to capital markets, during the last three years is NIL.

MEANS OF COMMUNICATION

The Company communicates with the shareholders at large through its Annual Report, Publication of Financial Results etc. The Board of Directors approves and takes on record the un-audited financial statements in the proforma prescribed by the Stock Exchanges within one month of the close of the quarter and the results are announced to all the Stock Exchanges where the shares of the Company are listed.

The Management Discussion and Analysis Report is a part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

Registered Office at Works	:	21, Industrial Area, Baddi, Distt. Solan (HP) I) 21, Industrial Area, Baddi, Distt. Solan (HP) II) Village. Saidpura, Derabassi (Punjab).
Administrative Office	:	55, Industrial Area, Sector I, Parwanoo, Distt. Solan (HP)
Corporate Office	:	55, Industrial Area, Sector I, Parwanoo, Distt. Solan (HP)
Address for Correspondence	:	55, Industrial Area, Sector I, Parwanoo, Distt. Solan (HP)

Financial Calendar	:	(Tentative)
Results for quarter Ending JUNE 2007		Last week of July 2007.
Results for quarter Ending SEPT. 2007		Last week of Oct. 2007.
Results for quarter Ending DEC. 2007		Last week of Jan. 2007.
Results for quarter Ending MARCH 2007		Last week of June. 2007.
Book Closure date		26th September 2007 to 28th September 2007



STURDY INDUSTRIES LTD.

Share Transfer System

Applications for transfer of shares held in physical form are received at the Corporate Office of the Company at 55, Industrial Area, Sector I, Parwanoo. All valid transfers are processed and effected 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.

Physical Shares received for Dematerialization are processed and completed within a period of 21 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.

a) Listing of Equity Shares on Stock Exchanges

The company's shares are listed at the Stock Exchange, Mumbai (BSE)

b) Stock Market Data

Stock Code: The Stock Code for the Company's shares is as follows: -

The Stock Exchange, Mumbai: Code : 530611

c) Registrar and Transfer Agent

Transfer Agent for physical transfers and Demat shares:

Skyline Financial Services Private Limited

(Unit: Sturdy Industries Limited)

246, Sant Nagar, Main Iscon Temple Road,

East of Kailash,,

New Delhi - 110065

Tel: - +91-11-26292682-83

Fax: - +91-11-26292681

E-mail: admin@skylinerta.com

FOR AND ON BEHALF OF THE BOARD
OF STURDY INDUSTRIES LIMITED

Place: Baddi

Dated: 01-09-2007

Sd/-

CHAIRMAN



STURDY INDUSTRIES LTD.

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

The Members
Sturdy Industries Limited
Baddi.

We have examined the compliance of conditions of Corporate Governance by M/s Sturdy Industries Limited for the year ended 31st March 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company, with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our Examination is limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

Based on the records maintained and certified by the Management of the Company there are no investor grievances pending against the Company for a period exceeding one month as on 31st March, 2007.

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

For M/s Bansal Satish & Associates
Chartered Accountants

Place: Baddi
Date: 01.09.2007

Sd/-
(Bikram K. Goel)
Partner
Membership No. 501451



STURDY INDUSTRIES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MD&A)

The Report on Management Discussion and Analysis (MD & A) is related to the Company's Performance in the present Economic Scenario and also the performance of the company in relation to the present Industry. The Report also discusses the opportunities available to the company and the threats perceived by the Management

1. THE COMPANY AND THE INDUSTRY

In the year under review the company witnessed growth in the overall performance and is proud to be at par with the overall Industry growth. With the each passing day the overall economic scenario of the Country is changing and that is having an impact on the aluminum Industry too. The Company is keeping pace with the ever changing and demanding scenario and has proved its mettle in this competitive environment. The Company is committed to make a name for itself in the Industry and is marching ahead in the right direction to achieve its targets

2. OPPORTUNITIES AND THREATS

The Company has achieved a significant development overall and foresees bright prospects in the future. The Management is committed to the move towards perfection in all the concerned areas and to make an impression in the industry. The company has always fulfilled its commitment towards maintaining the highest of standards, keeping pace with the changes as may be required from time to time. Though it is said that the future can be planned but it is always unforeseen and in the present changing Industry demands and overall economic growth it is important that the future threats are perceived at an early stage and adequate measures are taken to be prepared for any such threats. Though at this stage the Management does not foresee any possible threat from anywhere in the Industry. The company also keeps itself abreast of the changes which are being made by the government authorities and departments and adapts to any such changes as may be required from time to time.

3. INITIATIVES TAKEN BY THE COMPANY

The Management has been exploring all the opportunities keep the momentum going and as always the company is making the required technical changes and has made its working environment compatible and to suit the present business requirements. The Company is maintaining highest standards of quality for all its products and is enjoying the benefits extended by the Stat Government.

4. FINANCIAL PERFORMANCE/OUTLOOK

During the year under review the company has achieved income from operations to a tune of Rs. 7077.52 Lacs as compared to the last year figure of Rs. 6095.90. This is followed by a marginal increase in the Net Profit before taxes which have increased to Rs. 108.89 Lacs from Rs. 95.47 Lacs. The Company has been well driven under the able guidance of the Top Management especially Mr. M. L. Gupta and Mr. Ramesh Gupta, The Management sees the overall growth in the future for its stakeholders.

Product Segmentation

Primary Segments of the Company are as under:

- ★ Pipes, Sprinkler, Drip Irrigation Systems and others
- ★ Asbestos Cement Sheet
- ★ Aluminum composite Sheets



STURDY INDUSTRIES LTD.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

The Company is well equipped with the required Internal Control Systems and has designed internal systems to meet its requirements and need of the hour. The Company has ensured that its Internal Systems have adequate control so that it is well protected from any external threats. The company has established a Separate Internal Control Department to exercise various controls and see that all the departments function independently. The Department sees that all the requirements are duly met and the delegation of authority is proper. The Department ensures smooth flow of the work and has clearly laid down all the requisite parameters in consonance with the company's requirements.

Similarly, the Company has well laid policies and targets which ensure that the necessary checks at the different levels of organization are existing and are operative for the growth of the company

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

A company could not progress without keeping good Human Values and relationships. Though it is an era of technological changes and use, still the Human Resource is the most important element of the Organization, without which the company or for that matter any organization can progress. Though there are many legislations and rules and regulations which bind the company relating to the work-force employed but devoid of them Company has always nourished the growth of its employees, provided them a good working environment. Maintained highest pf standards for there safety and well being and has a strong belief that without good human resources a company cannot reach its desired levels of perfection and cannot achieve its targets and goals.

8. CAUTIONERY STATEMENT

The Management Discussion and Analysis Statement is given in the spirit of the of Good Corporate Governance describing the Company's objectives, projects, estimates and expectations may be forward-looking statements within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference in the Company's operation include economic conditions affecting demand.

FOR AND ON BEHALF OF THE BOARD
OF STURDY INDUSTRIES LIMITED

Place: Baddi
Dated: 01-09-2007

Sd/-
CHAIRMAN



STURDY INDUSTRIES LTD.

AUDITOR'S REPORT

To the Member of,
Sturdy Industries Limited
Baddi

We have audited the attached Balance Sheet of STURDY INDUSTRIES LIMITED BADDI as at 31st March, 2007 and also the annexed Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we annex here to a statement as per Annexure - A on the matters specified in Paragraph 4 & 5 of the said order.

1. Further to our comments in the annexure referred to the above, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for purpose of our audit.
 - b) In our opinion, proper books of accounts have been kept by the company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of accounts.
 - d) In our opinion the attached Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report, comply with the accounting standards as referred to in the Section 211(3C) of the Companies Act 1956 except that no provision for gratuity has been made by the Company for the year.
 - e) As per the information and explanation given to us, none of the directors of the Company is Disqualified from being appointed as a director under clause (g) of sub-section of Section 274(1) of the Companies Act 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the company's Accounting Policies and the notes thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2007.
 - ii) In the case of Profit & Loss Account of the Profit of the company for the year ended on that date.

For BANSAL SATISH & ASSOCIATES,
CHARTERED ACCOUNTANTS,

Sd/-
(PARTNER)

Place : Panchkula
Date : 01.09.2007



STURDY INDUSTRIES LTD.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified at by the management at regular intervals. No material discrepancies were noticed on such verification;
- (c) No substantial part of the fixed assets have been disposed off during the year;
- (ii) (a) The Physical Verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of the verification is reasonable;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification;
- (iii) (a) The Company has granted unsecured loans to Directors of the company covered under the register maintained under section 301 of the Act The maximum amount involved during the year was 3051287.56 and the year end balance of the loan granted to the directors was 3051287.56.
- (b) In our opinion, the rate of interest and other terms and condition for such loans are not prime facie prejudicial to the company.
- (c) Payment of amount is regular.
- (d) There is no overdue amount.
- (e) The Company has taken unsecured loans to from companies(s) and/or director(s) of the company covered under the register maintained under section 301 of the Act The maximum amount involved during the year was 4987264.00 and the year end balance of the loan taken was 4987264.00.
- (f) In our opinion, the rate of interest and other terms and condition for such loans are not prime facie prejudicial to the company.
- (g) Payment of amount is regular.
- (h) There is no overdue amount.
- (iv) There is adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There is no continuing failure to correct the major weaknesses in the internal control;
- (v) (a) According to the information and explanation given to us, we are of the opinion that the company has entered all the transactions that needed to be entered into a register in pursuance to section 301 of the Act have been so entered;
- (b) According to the information and explanation given to us., each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- (vi) The company has not accepted deposits from the public.
- (vii) The company is under the process of developing its internal audit system commensurate with its size and nature of business;



STURDY INDUSTRIES LTD.

- (viii) According to the information and explanation given to us., maintenance of cost records has not been prescribed by the Central Govt. under clause (d) of sub section of section 209 of the Act.
- (ix) (a) According to the information and explanation given to us the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (x) The company has no accumulate losses and has not incurred any cash losses during the financial year covered by the report and in the immediately preceding financial year.
- (xi) According to information and explanation given to us the company has not defaulted in the repayment of dues of financial Institutions or bank.
- (xii) According to information and explanation given to us no loans has been granted on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Provisions of special statute applicable to chit fund are not applicable to the company.
- (xiv) The company does not deal or Trade, in share, securities, debenture and other investment.
- (xv) The company has given guarantee for associate companies the terms and condition of the guarantee given by the company for loan taken by associate companies from banks are not prima facie Prejudicial to the interest of the company as per management.
- (xvi) To best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans availed by the company were prime facie, applied for the purpose for which loans were obtained, other than temporary deployment pending application..
- (xvii) None of the raised for short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) No debentures have been issued by the company;
- (xx) No money has been raised by making any public issue;
- (xxi) According to the information and explanation given to us and based on representation given by the management, taken on record by the board of directors, no fraud has been noticed or reported during the course of our audit.

for BANSAL SATISH & ASSOCIATES,
CHARTERED ACCOUNTANTS,

Sd/-
(PARTNER)

Place : Panchkula
Date : 01.09.2007



STURDY INDUSTRIES LTD.

BALANCE SHEET AS AT 31.03.2007

PARTICULARS	SCHEDULE	AS AT 31.3.2007 AMOUNT (RS.)	AS AT 31.3.2006 AMOUNT (RS.)
<u>SOURCES OF FUNDS</u>			
<u>SHARE HOLDERS FUND</u>			
Share Capital	(A)	80812000.00	80812000.00
Reserve & Surplus	(B)	46905316.28	45389860.62
Deferred Tax		13093174.00	12518376.00
<u>LOAN FUNDS</u>			
Secured	(C)	202334015.26	202950888.55
Unsecured	(D)	9442006.38	8327931.38
TOTAL		352586511.92	349999056.55
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
GROSS BLOCK	(E)	235631252.27	235014603.27
Less : Depreciation		75573497.46	55293157.00
Net Block		160057754.81	179721446.27
CAPITAL WORK IN PROGRESS		75000.00	75000.00
INVESTMENTS	(F)	173320.00	173320.00
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
Inventories		184770976.06	163544286.24
Sundry Debtors		150036603.16	104722814.47
Cash & Bank Balance		14788967.09	27947284.83
Loan & Advances		24392310.19	23258289.58
		373988856.50	319472675.12
LESS: CURRENT LIABILITIES AND PROVISIONS	(H)	182061556.40	149846603.84
NET CURRENT ASSETS		191927300.11	169626071.28
MISC-EXPENDITURE			
To the Extent not written off or adjusted	(I)	353137.00	403219.00
Total :		352586511.92	349999056.55
Notes to Accounts & Accounting Policies	(O)		

AUDITOR'S REPORT
as per our separate report
of even date annexed hereto
For Bar sal Satish & Associates
Chartered Accountants,

Sd/-
(Partner)

Place : Panchkula
Dated : 01.09.2007

On behalf of the Board,
for STURDY INDUSTRIES LTD.

Sd/-
(M. L. Gupta)
Mg. Director

Sd/-
(Ramesh Gupta)
Director



STURDY INDUSTRIES LTD.

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.3.2007

PARTICULARS	SCHEDULE	AS AT 31.3.2007 AMOUNT (RS.)	AS AT 31.3.2006 AMOUNT (RS.)
INCOME			
Income from Operations	(J)	707751897.75	609590534.28
		<u>707751897.75</u>	<u>609590534.28</u>
EXPENDITURE :			
Materials & Manufac. Exps.	(K)	570845816.27	491113610.80
Administrative Expenses	(L)	32723181.27	25380397.99
Selling & Distribution Exp.	(M)	17091658.00	23597539.41
Financial Exp.	(N)	28197905.98	21167796.84
Excise Duty		35296994.00	19889272.00
Misc. Expenditure W/off		5002.00	48799.00
Depreciation		12657484.72	18846592.00
		<u>696863122.23</u>	<u>600044008.04</u>
Profit/Loss before taxation		10888775.52	9546526.24
Provision for Taxation		1221681.21	803340.00
Deferred Tax Liabilities		(574798.00)	232404.00
Profit/Loss after Taxes		9092296.40	8510782.23
Brought Forward		28778511.62	20267729.38
Surplus Carried to Balance Sheet		<u>37870808.02</u>	<u>28778511.62</u>
Notes to Accounts & Accounting Policies	(O)		

AUDITOR'S REPORT
as per our separate report
of even date annexed hereto

For Bansal Satish & Associates
Chartered Accountants.

Sd/-
(Partner)

Place : Panchkula
Dated : 01.09.2007

On behalf of the Board,
for STURDY INDUSTRIES LTD.

Sd/-
(M. L. Gupta)
Mg. Director

Sd/-
(Ramesh Gupta)
Director



STURDY INDUSTRIES LTD.

SHARE CAPITAL		SCHEDULE-'A'
	AS AT 31.3.2007 AMOUNT (RS.)	AS AT 31.3.2006 AMOUNT (RS.)
AUTHORISED CAPITAL		
7000000 (Pr.Yr.-7000000)		
Equity shares of Rs10/- each.	70000000.00	70000000.00
2,00,000 (Pr.Year - 200000)		
Preference Share of Rs. 100 each.	20000000.00	20000000.00
	<u>90000000.00</u>	<u>90000000.00</u>
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
6081200 Equity Shares	60812000.00	60812000.00
(Pr.Yr.-6081200)		
Rs. 10/- each.		
2,00,000 (Pr.Year - 200000)	20000000.00	20000000.00
Preference Share of Rs. 100 each.		
Fully paid up	<u>80812000.00</u>	<u>80812000.00</u>
		SCHEDULE-'B'
RESERVES AND SURPLUS		
	AS AT 31.3.2007	AS AT 31.3.2006
General Reserve	16611349.00	16611349.00
Profit & Loss A/C	37916823.02	28778511.62
Adjustment in Dep	7622855.74	
	<u>46905316.28</u>	<u>45389860.62</u>
DEFERRED TAX LIABILITIES		
Opening Balance	12518376.00	12285972.00
Add. During the year	574798.00	232404.00
	<u>13093174.00</u>	<u>12518376.00</u>
		SCHEDULE-'C'
SECURED LOANS		
	AS AT 31.3.2007	AS AT 31.3.2006
Term Loan		
TERM LOAN	87270067.00	102650757.50
From Punjab National Bank, Parwanoo		
WORKING CAPITAL BORROWINGS	113590253.98	97313828.77
From Punjab National Bank, Parwanoo		
ICICI BANK LTD	1473694.28	2986302.28
(Commerical Vehicle Loan)		
	<u>20,334015.26</u>	<u>202950888.55</u>
NOTES:		
Working Capital Finance is secured by hypothecation of stocks of sparepart, RawMaterial, semi Finished Goods, Finished Goods & Bills and personal guarantee of directors.		
Term Loan is secured by Hypothecation of Plant & Machinery, Building, Truck.		



STURDY INDUSTRIES LTD.

SCHEDULE-'D'		
UNSECURED LOANS:		
Particulars	AS AT 31.3.2007	AS AT 31.3.2006
Inter Corporate Loan	9482006.38	8327931.38
	<u>9482006.38</u>	<u>8327931.38</u>
INVESTMENT		
Quoted	AS AT 31.3.2007	AS AT 31.3.2006
(i) 10,000 Equity shares of 10 each of Tirupati Aluminium Ltd.	100000.00	100000.00
(ii) 188 Equity share of 10 each of P.N.B.	73320.00	73320.00
	<u>173320.00</u>	<u>173320.00</u>
SCHEDULE-'F'		
CURRENT ASSETS, LOANS & ADVANCES		
Particulars	AS AT 31.3.2007	AS AT 31.3.2006
A. INVENTORIES		
(As taken valued & certified by management)		
i) Raw Material	63142197.14	96369101.69
ii) Finished Goods	110086721.36	58561394.56
iii) Work In Progress	8672345.56	8613789.99
iv) Spare & Store	2869712.00	
	<u>184770976.06</u>	<u>163544286.24</u>
B. SUNDRY DEBTORS		
(Considered good and unsecured)		
Less Than Six Month	100612173.53	89949320.38
Other debts	49424429.63	14773494.09
	<u>150036603.16</u>	<u>104722814.47</u>
C. CASH & BANK BALANCE		
i) Cash in hand	6009873.09	13451714.35
ii) Balance with scheduled Banks		
– In Current A/c	3659396.70	8551143.18
– In Fixed Deposits	5119697.30	5944427.30
	<u>14788967.09</u>	<u>27947284.83</u>
D. LOANS & ADVANCES		
i) Advance recoverable in cash or in kind or value to be received	7779061.52	6893374.25
ii) Balance with Excise, Income Tax	16613248.67	16364915.33
	<u>24392310.19</u>	<u>23258289.58</u>
	<u>373988856.50</u>	<u>319472675.12</u>



SCHEDULE 'E'

DEPRECIATION SCHEDULE

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 1.4.2006	Additon During	Total	Up to 31.3.2006	For TheYear	Adjustment	Up to 31.3.2007	As on 31.3.2007	As on 31.3.2006
Land	5361563.00	0.00	5361563.00	—	—	0	0	5361563.00	5361563.00
Building	46160258.37	38381.00	46198639.37	9465399.00	3369136.29	872274.80	13706.10.09	32491829.28	36694859.37
Plant & Machinery	175035579.00	443200.00	175478779.00	41800901.00	7827667.49	6245120.86	55873689.35	119605089.65	133234678.00
Furniture & Fixture and other Equipment	1433783.00	96468.00	1530251.00	729765.00	360272.80	10345.75	1100383.55	429867.45	704018.00
Vehicle	7023419.90	38600.00	7062019.90	3297092.00	1100408.15	495114.33	4892614.48	2169405.42	3726327.90
TOTAL	235014603.27	616649.00	235631252.27	55293157.00	12657484.72	7622855.74	75573497.46	160057754.81	179721446.27
Previous Year	214150265.90	20864337.36	235014603.30	3646565.00	188846592.00	0	55293157	179721446.30	177703700.91



STURDY INDUSTRIES LTD.

CURRENT LIABILITIES AND PROVISION			SCHEDULE-'H'
Particulars	AS AT 31.3.2007	AS AT 31.3.2006	
CURRENT LIABILITIES :			
Sundry Creditors - Trade	167873123.09	134707292.19	
- Capital Goods	4824526.50	7630373.27	
- Others	1163175.08	381695.81	
Expenses Payable	4429450.61	3687968.57	
Provision for Income Tax	1221681.12	803340.00	
Security (Deposit)	2549600.00	2635934.00	
	<u>182061556.40</u>	<u>149846603.84</u>	SCHEDULE-'I'
MISC. EXPENDITURE			
Particulars	AS AT 31.3.2007	AS AT 31.3.2006	
Preliminary Expenses	403219.00	452018.00	
Less : Exp. w/off	<u>50082.00</u>	<u>48799.00</u>	
	<u>353137.00</u>	<u>403219.00</u>	
INCOME FROM OPERATIONS			
	AS AT 31.3.2007	AS AT 31.3.2006	SCHEDULE-'J'
Sales	705553074.63	608644695.01	
Other Income	2198823.12	945839.27	
	<u>707751897.75</u>	<u>609590534.28</u>	
MATERIAL AND MANUFACTURERENG EXPENDITURE			
Particulars	AS AT 31.3.2007	AS AT 31.3.2006	SCHEDULE 'K'
RAW MATERIAL CONSUMED AND PURCHASE			
Raw Material	592572918.07	483303435.82	
Stores & Spares	179936.00	189820.40	
Add:(Increase)/Decrease in stock of finished goods	(-51590023.24)	(23326444.55)	
	<u>541162830.84</u>	<u>460166811.68</u>	
2. MANUFACTURING EXPENSES			
Electricity & Water Charges	10747423.00	9624155.00	
Power & Fuel	5413251	5567041.40	
Others	13522311.43	15755602.73	
	<u>29682985.43</u>	<u>30946799.13</u>	
	<u>570845816.27</u>	<u>491113610.81</u>	



STURDY INDUSTRIES LTD.

SCHEDULE-'L'

ADMINISTRATIVE EXPENSES:

Particulars	AS AT 31.3.2007	AS AT 31.3.2006
Personnel Expenses	22228586.55	15489497.35
Others	10494594.72	9890900.64
	<u>32723181.27</u>	<u>25380397.99</u>

SCHEDULE-'M'

SELLING & DIST. EXP.:

Particulars	AS AT 31.3.2007	AS AT 31.3.2006
Freight & Cartage Outward	10114691.98	15546529.41
Advertising & Publicity	1169239.00	1686118.00
Testing Charges	172383.00	228887.00
Trade Discount & Rebate	1589596.80	5978308.00
Business Promotion	341071.00	157697.00
Selling & Distt.	103498.00	0.00
Commission On Sales	3295892.22	0.00
Exhibition Expenses	175095.00	0.00
Packing Material	<u>130191.00</u>	<u>0.00</u>
	<u>17091658.00</u>	<u>23597539.41</u>

SCHEDULE-'N'

FINANCIAL EXP. :

Particulars	AS AT 31.3.2007	AS AT 31.3.2006
Bank Loan	7677375.50	9182117.46
Other	16418729.48	9154011.38
Foreign Exchange Variation	<u>4101801.00</u>	<u>2831668.00</u>
	<u>28197905.98</u>	<u>21167796.84</u>



STURDY INDUSTRIES LTD.

SCHEDULE-'O'

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (FORMING PART OF BALANCE SHEET AS AT 31.03.2006)

A. SIGNIFICANT ACCOUNTING POLICIES :

Basic of Accounting

- (i) The accounts of the company are prepared under on the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated

Fixed Assets

Fixed Assets are stated at cost of acquisition/cost of construction less depreciation. Cost of acquisition/cost of construction is inclusive of freight, duties and taxes and incidental expenses related to acquisition, installation, erection, commissioning. The benefit of modvat credit has been taken..

Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule-XIV to the Companies Act, 1956 Depreciation on Plant & Machinery is provided on Straight Line Method basis as the plant is in a continuous process.

Inventories

Inventories are valued as follows:

- a) **Finished Goods** : Valued at cost or net realizable value whichever is lower.
- b) **Raw Material** : Valued at cost or net realizable value, whichever is lower.
- c) **Work in Progress**: Valued at Estimated Cost .
- d) **Scrap** : Valued at net realizable value.

Modvat : Modvat credit on Excise Duty paid goods is accounted for by reducing the purchase cost of related goods.

B. Notes To the Accounts:

1. Previous year figures have been re-arranged or re-grouped wherever necessary to make them comparable with the current year's figures.
2. No Provision for gratuity has been made as same are not applicable to the Company so far.
3. Contingent Liability not provided for in respects of :
 - (a) Outstanding balance of Bank Guarantees Rs 1.20 (Lacs) (Previous Year Nil)
 - (b) Corporate Guarantees: Rs 2518.67(Lacs) (Previous Year Nil)
 - (b) Outstanding Foreign Letters of credits \$ 130815 (Previous Year Nil)
4. Balance of some of the Debtors, Creditors, Loans And Advances are subjects to Confirmation and reconciliation from the respective parties. The Management does not expect any material difference affecting the Financial Statement for the Year.
5. In the opinion of the Board of Director, 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 Balance Sheet.
6. Estimated amount of Contracts remaining to be executed on capital account and not provided for net of advances Nil (previous Year -Nil)
7. Payment to Auditors
 - a) Statutory Audit Fee 56,120.00 56120.00
 - b) Tax Audit Fee 16,854.00 16,836.00



STURDY INDUSTRIES LTD.

8 Loan & Advances includes a sum of Rs. 3051287.56(Pr. Yr.1472617.56) to concerns/ firms in which directors are interested u/s 301 of the companies act 1956. Maximum outstanding during the year Rs. 3051287.56(Pr. Yr.1472617.56)

9 During the year, the Company has accounted for Deferred Tax liability/asset in accordance with the Accounting Standards-22 "Accounting for Taxes on Income" issued by the Council of the Institute of Chartered Accountants of India.

10 ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPH 3 AND 4 PART II OF SCHEDULE VI OF THE COMPANY ACT, 1956.

A)	CAPACITY	2006-2007(M.T)	2005-06(M.T)
	PVC/HDPE Pipe & Fitting		
	Licensed	N.A.	N.A.
	Installed	—	—
B)	PRODUCTION /PURCHASES		
	PVC Pipe & Fitting (M.T)	101.923	534.268
	HDPE Pipes(M.T)	990.374	1043.064
	ACC Sheets(M.T)	33164.395	34536.631
	ACP Sheets (Nos.)	194160	20431
C)	SALE / STOCK		

	Op. Stock		Cl. Stock		Sales	
	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.
	M.T.	(Lacs)	M.T.	(Lacs)	M.T.	(Lacs)
2006-2007						
a) Pipes, Fitting	614.046	323.62	284.080	229.26	1422.263	904.82
b) Trading Polymer & Other	122.175	77.50	15.000	11.04	3146.658/1556	2964.08
c) ACC Sheet	2860.976	148.74	5701.398	313.46	30323.973	1989.84
d) ACP Sheet (Nos.)	6718.000	113.25	138364	400.73	62514	1196.79
e) Others	—	—	—	—	—	21.99
						7077.52
2005-2006						
a) Pipes, Fitting	329.782	164.41	614.046	323.62	1272.291	1266.59
b) Trading Polymer & Other	7.000	4.42	122.175	77.50	3211.704	2316.76
c) ACC Sheet	3786.515	192.09	2860.976	148.74	35461.404	2178.40
d) ACP Sheet (Nos.)	—	—	6718.000	113.25	13713.000	324.76
e) Others	—	—	—	—	—	9.45

D) MATERIAL CONSUMED/PURCHASED

	YEAR ENDING		YEAR ENDING	
	31.03.2007		31.03.2006	
	Qty.	Amt.	Qty.	Amt.
	M.T.	(Lacs)	M.T.	(Lacs)
Material PVC, Chemicals	102.940	33.4	539.665	235.54
Material HDPE	995.835	547.99	1053.6	538.13
Material Asbestos	3207.971	606.99	432.46	157.27
Cement	13882.000	325.60	3786.515	192.09



STURDY INDUSTRIES LTD.

Fly Ash	9199.941	15.18	9462.872	10.77
Pulp	208.660	27.07	52.17	3.53
Aluminium Coils, Granules	957.310	1000.70	717.92	706.3
Polymer & Other		3368.80	3211.704	2316.78
		5925.73		4160.41

E) VALUE OF RAW MATERIAL STORE & SPARES CONSUMED

	2006-2007	%age	2005-2006	%age
a) Raw Material :				
I) Imported	1099.04	18.55%	881.83	18.25%
II) Indigenous	4823.69	81.45%	3951.2	81.75%
b) Stores & Spares :				
I) Imported	—	—	—	—
II) Indigenous	20.84	100%	69.22	100%

F) EXPENDITURE IN FOREIGN CURRENCY

	2006-2007	2005-2006
Capital Assest	—	—
PVC Resin & Asbestos, Coils	\$1,859,999	1960000U\$
Oth.ers	—	—

G) CIF VALUE OF IMPORTS

	Amount (Rs)	Amount (Rs)
RAW MATERIAL	1099.04	878.96

H) EARNING IN FOREIGN EXCHANGE

\$88,314

NIL

I) NON RESIDENT HOLDERS ETC.

a) No. of non resident share holders	3	3
b) No. of shares held by the them	1284180	1284180

10. 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 segments are Pipes & Fittings, ACC& ACP Sheets and Trading in Polymer etc.

The above business segments have been identified considering:

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



STURDY INDUSTRIES LTD.

(Rs. in Lacs)						
Description	Pipes & Fittings	Trading in Polymer & Other	ACC Sheet	ACP Sheets	Other Income	Total
A. PRIMARY SEGMENT INFORMATION						
SEGEMENT REVENUE						
Sales	904.82	2964.08	1989.84	1196.79	21.99	7077.52
Total Revenue	904.82	2964.08	1989.84	1196.79	21.99	7077.52
SEGEMENT RESULT						
Interest						3903.87
Profit before tax						281.98
Provision for current tax						108.89
profit after tax						12.53
SEGMENT ASSETS	1562.48		976.16	987.22		96.36
SEGMENT LIABILITIES	1562.48		976.16	987.22		3525.86
Depreciation	23.76		82.60	20.21		126.57
B. SECONDARY SEGMENT						
The Company caters mainly to the needs of Northern markets.						
11. RELATED PARTY DISCLOSURES						
Disclosures as required by the Accounting Standard 18 "Related Disclosures" are given below:						
a) List of Related Parties						
Associate Companies :						
1.	Swati Storwel Pvt. Ltd.					
2.	Nu-Line Industries Pvt. Ltd.					
3.	Malwa Fasteners Pvt. Ltd.					
4.	Divya Tubes Pvt. Ltd.					
5.	United Polymer Industries					
6.	Chemiplast Industries					
7.	Tirupati Aluminum Ltd					
Key management personnel and relatives :						
1. Sh. M.L.Gupta				2. Sh. Ramesh Kumar Gupta		
3. Sh. Amit Kumar Gupta						



STURDY INDUSTRIES LTD.

B. Transactions with related parties

31.03.2007

(Rs. in Lacs)

Nature of transactions	Associate Companies	Key management personnel
1. Sales and other Income	—	
2. Purchases of raw materials and stores	—	
3. Expenditure on services	—	
4. Outstanding balances as on 31.03.2007		
Debtors	296.36	
Creditors	—	
5. Loans and advances		30.51
6. Management remuneration		1.98
7. Loans & Advances Accepted		6.47
8. Others Receivable / Advances		—
		31.03.2006
1. Sales and other Income	442.87	
2. Purchases of raw materials and stores	1205.54	
3. Expenditure on services	—	
4. Outstanding balances as on 31.03.2006		
Debtors	120.96	
Creditors	1244.13	
5. Loans and advances	—	14.73
6. Management remuneration	—	1.98
7. Loans & Advances Accepted	—	9.33
8. Others Receivable / Advances	—	

AUDITOR'S REPORT

As per our separate report of even date.

For Bansal Satish & Associates
Chartered Accountants,

On behalf of the Board,
for STURDY INDUSTRIES LTD.

Sd/-
(Partner)

Sd/-
(M. L. Gupta)
Mg. Director

Sd/-
(Ramesh Gupta)
Director

Place : Panchkula
Dated : 01.09.2007



STURDY INDUSTRIES LTD.

12. Additional information as required under part IV of schedule VI to the companies Act, 1956.

Balance sheet abstract and company's general business profile (Rs.In Lacs).

I. REGISTRATION DETAIL

Regd. No. 9557
State Code 06
Balance Sheet date 31.3.2007

II. CAPITAL RAISED DURING THE YEAR

Public Issue Nil
Private Placement Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities		Total Assets	
5346		5346	
Source of Funds		Application of Funds	
Paid up Capital	808.12	Net Fixed Assests	1600.58
Reserve & Surplus	469.05	Investment	2.48
Deferred Tax	130.93	Net Current Assests	1919.27
Secured Loan	2023.34	Misc. Expenditure	3.53
Unsecured Loan	94.42		

IV. PERFORMANCE OF COMPANY

Turnover (including Misc. Income) 7077.52
Total Expenditure 6968.63
Profit before Tax 108.89
Profit after Tax 96.67
EPS (on annualized basis)
Dividend Rate 1.58

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY

Item Code No. (ITC)
Product Description HDPE , PVC PIPES, ACC SHEETS, ACP SHEETS

For Bansal Satish & Associates
Chartered Accountants,

Sd/-
(Partner)

Place : Panchkula
Dated : 01.09.2007

On behalf of the Board,
for STURDY INDUSTRIES LTD.

Sd/-
(M. L. Gupta)
Mg. Director

Sd/-
(Ramesh Gupta)
Director



STURDY INDUSTRIES LTD.

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.

	For the year Ended 31.03.2007 (Rs. in Lacs)	For the year Ended 31.03.2006 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	108.89	95.51
Adjustment for Depreciation	126.57	188.46
Misc. Exp. W/off	0.50	0.49
Operation Profit before Working Capital Changes	235.96	284.46
Adjustment for		
Trade & Other Receivables	-453.14	(719.29)
Inventories	-212.16	(954.11)
Trade Payable	331.66	1317.36
Other liabilities & Provisions	-9.2	36.72
Cash flow before extra ordinary items	-342.84	(319.30)
Extra Ordinary Items	—	—
Net Cash from Operating Activities	-106.88	(34.83)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-6.17	(205.37)
Refund of Loan/Deposits	11.33	(9.24)
Decrease in Investment	—	—
Net Cash from Investing Activities	5.16	(214.61)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term Borrowings	-168.91	(58.36)
Increase in Bank Borrowings for Working Capital	162.76	495.84
Adjustment for General Reserve	-28.48	(2.04)
Share Application Money	—	—
Issue of Share Capital	—	—
Repayment of Loans	11.55	(21.99)
Misc. Expenditure	3.53	4.03
Net Cash Flow from Financing Activity	-19.55	417.48
Net Increase in Cash & Cash Equivalents	-131.59	168.03
Cash and Cash Equivalents (Opening Balance)	279.48	111.45
Cash and Cash Equivalents (Closing Balance)	147.89	279.48

Cash Cash Equivalents consist of Cash/Cheques in hand and balance with banks including fixed Depositing Accounts.

For Bansal Satish & Associates
Chartered Accountants,

On behalf of the Board,
for STURDY INDUSTRIES LTD.

Sd/-
(Partner)

Sd/-
(M. L. Gupta)
Mg. Director

Sd/-
(Ramesh Gupta)
Director

Place : Panchkula
Dated : 01.09.2007



STURDY INDUSTRIES LTD.

AUDITOR'S CERTIFICATE

We have certified that above Cash flow statement of STURDY INDUSTRIES LIMITED, which has been derived from the audited annual accounts for the period ended 31st March, 2007 after making such adjustments / grouping as were considered appropriate and found the same to be correct and true and correct.

For Bansal Satish & Associates
Chartered Accountants

Sd/-
Partner

Place : Panchkula
Dated : 01.09.2007



STURDY INDUSTRIES LTD.

STURDY INDUSTRIES LIMITED

Regd. Office : 21, Industrial Area, Baddi, Distt. Solan - 173 205

(In Case of Members is unable to be present in person at the Meeting this form may be used)

PROXY FORM

I/We of being a member/members of STURDY INDUSTRIES LTD. hereby appoint, Mr./Mrs./Miss of or failing proxy to attend and to vote for me/us and on my/our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 29th September, 2007 at 11.00 a.m. at 21, Industrial Area, Baddi, Tehsil Nalagarh, Distt. Solan - 173 205 (H.P.) and at any adjournment thereof.

Signed this day of 2007

Regd. Folio No.

Affix
Rupee One
Revenue
Stamp

NOTES : Signature

1. The proxy must be deposited at the Regd. Office of the Company at 21, Industrial Area, Baddi, Distt. Solan - 173 205, atleast 48 hours before the time for holding the Meeting.
2. A proxy need not be a member of the Company.

STURDY INDUSTRIES LIMITED

Regd. Office : 21, Industrial Area, Baddi, Distt. Solan - 173 205

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (IN BLOCK LETTERS) Registered Folio No.

No. of Shares.

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in if the Proxy attends instead of the Member (s)]

I hereby record my presence at the Nineteen Annual General Meeting at 21, Industrial Area, Baddi, Tehsil Nalagarh, Distt. Solan - 173 205 (H.P.)

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTE : The copy of the Annual Report may please be brought to the Meeting Hall.

For Office Use

BOOK-POST

If undelivered please return to :
STURDY INDUSTRIES LTD.
55-57, Industrial Area,
Sector 1, PARWANOO
Distt. Solan (H.P.)