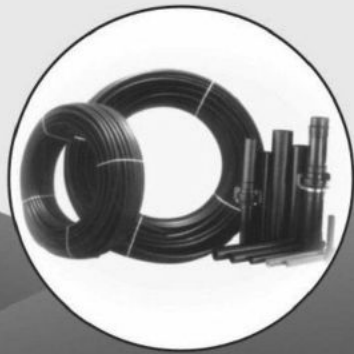


STURDY INDUSTRIES LIMITED



Annual Report
2012-2013

Corporate Information

BOARD OF DIRECTORS

Shri M. L. Gupta	- Chairman & Managing Director
Shri Ramesh Gupta	- Director
Shri Amit Gupta	- Director
Shri Devinder Nath Sharma	- Independent Director
Shri Ashok Bhatia	- Independent Director

COMMITTEES OF DIRECTORS

A. AUDIT COMMITTEE

Shri Devinder Nath Sharma	- Chairman
Shri Ashok Bhatia	- Member
Shri Ramesh Gupta	- Member

B INVESTOR GRIEVANCE COMMITTEE

Shri Ashok Bhatia	- Chairman
Shri Devinder Nath Sharma	- Member
Shri Ramesh Gupta	- Member

C REMUNERATION-CUM-COMPENSATION COMMITTEE

Shri Ashok Bhatia	- Chairman
Shri Devinder Nath Sharma	- Member
Shri Amit Gupta	- Member

SECRETARIAL AUDITORS

M R Chechi & Associates
Company Secretaries
Chandigarh

STATUTORY AUDITORS

B.M. Varma & Company
Chartered Accountants
Chandigarh

BANKERS

Punjab National Bank
Allahabad Bank

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

55-57, Industrial Area,
Sector-1, Parwanoo, H. P. - 173220

REGISTRAR / SHARE TRANSFER AGENT

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

Contents

Notice

Director's Report

Management Discussion
and Analysis Report

Corporate Governance Report

Auditor's Report

Balance Sheet

Profit and Loss

Schedules and Notes

Cash Flow Statement

Notice

Notice is hereby given that the ensuing Annual General Meeting of Company will be held on Monday the 30th day of September, 2013 at 10:00 AM at the Registered Office of the company at Plot No 21, Industrial Area, Baddi, Distt. Solan-HP, to transact the following business(s):

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2013 and the Profit & Loss Account for the period ended at that date along with the Director's and Auditor's report thereon.
2. To appoint a Director in place of Mr. Amit Gupta, who retires by rotation and being eligible, offers himself for the re-appointment as the Director of the company.
3. To appoint Auditors and fix their remuneration.

TO PASS IF THOUGHT FIT, WITH OR WITHOUT MODIFICATION(S) IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

RESOLVED THAT M/s B.M. VARMA & CO., Chartered Accountants, having their office at SCO: 80-81, 2nd Floor, Sector 17-C, Chandigarh, the Statutory Auditors of the company, retiring at the ensuing annual general meeting, being eligible offered themselves for the re-appointment, be and are hereby appointed as the statutory auditors of the company for the financial year ending on 31st March, 2014.

FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorized to fix the remuneration and all out of pocket expenses in consultation with M/s B.M. VARMA & CO., Chartered Accountants.

FOR AND ON BEHALF OF THE BOARD
OF STURDY INDUSTRIES LIMITED

PLACE: BADDI
DATED: 02.09.2013

Sd/-
RAMESH GUPTA
(Director)

Notes

- 1) A member is entitled to attend and vote at the meeting and 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/proxies are requested to bring their attendance slip alongwith their copy of annual report to the meeting.
- 3) In the case of joint holders attending the meeting, only such joint holder who is higher in order of names will entitled to vote.
- 4) 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.
- 5) The Register of members will remain closed on from 27th September 2013 (Friday) to 30th September 2013 (Monday) (both days inclusive).
- 6) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 7) The Members are requested to intimate to the Company regarding the change of their addresses if any.

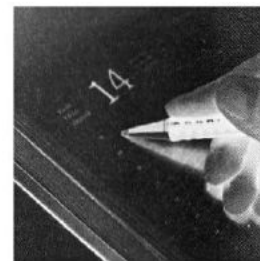
FOR AND ON BEHALF OF THE BOARD
OF STURDY INDUSTRIES LIMITED

Sd/-

RAMESH GUPTA
(Director)

PLACE: BADDI
DATED: 02.09.2013

Director's Report



To

Dear shareholders

Your Directors have pleasure in presenting the Annual Report for the financial year ended 31st March 2013

Financial results:

The financial performance of the Company for the year ended 31st March 2013, is summarized below:-

PARTICULARS	In Lacs	
	31st March 2013	31st March 2012
Income from Sales	83512.50	69727.67
Other income	138.01	142.91
Total income	83650.51	69870.58
Operating expenditure	81432.60	67617.63
Profit before tax and dep.	2217.91	2252.95
Interest	1297.63	1332.33
Depreciation	496.48	201.02
NET PROFIT BEFORE TAX	423.80	719.60
Provision for taxes	84.85	150.00
Deferred Tax	184.21	-7.68
NET PROFIT AFTER TAX	154.74	577.28
Paid-up share capital	1486.18	1286.18

Results of operations:

During the financial year under review, the Company's overall performance has been remarkable and growth worthy. The plans and policies perceived by the management since implemented in time frame manner, proved to be the most valuable tools in achieving the desired/projected results. During the year, the company has achieved record turnover (including income from other sources) of Rs. 83650.51 Lacs (increased by 20%) against an expenditure amounted Rs. 83226.71 Lacs. Resultantly, the surplus of the company is Rs. 154.74 lacs.

Your management is totally engrossed in planning and implementing the new projects and as well as undertaking the expansion at a very low investment. The diversification plans which are the needs of day are being taken up in a phased manners and schedules. Your management hopes to achieve better and most profitable results in the near future.

Segment reporting:

Primary segments of the Company are as under:

- ⊙ Pipes, sprinkler, drip irrigation systems and others.
- ⊙ Aluminum composite sheets
- ⊙ ABC Cables and Aluminium Conductors

Share capital :-

The authorized share capital of the Company is Rs. 185,000,000 (Rupees Eighteen Crores and Fifty lacs only) divided into 82,500,000 (Eight Crore Twenty Five Lacs) Equity Shares of Rs. 2/- each and 2,00,000 (Two lacs) Preference Shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the company has been increased from Rs. 128,617,920/- to Rs 148,617,920/- divided into 64,308,960 equity shares of Rs. 2/- and 200,000 Preference shares of Rs. 100/- each. The company has allotted 10,000,000 equity shares on conversion of fully paid-up convertible warrants to the promoters and non-promoters on preferential basis during the financial year under review.

Dividend

Your management has decided to retain all the internal accruals and to utilize the same in the expansion of business and future projects.

Corporate Governance

A report on the corporate Governance is attached as an annexure to this report

Directors

The Board of Directors of the Company is duly constituted and comprises of highly qualified and experienced professionals in their respectinals.

Further in terms of the provisions of section 256 of the Companies Act, 1956 and those of the Articles of Association of the Company, Mr. Amit Gupta, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for the re-appointment. The brief resume of Mr. Amit Gupta, who is proposed to be re-appointed, is provided in the Report on Corporate Governance.

Directors' 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.

Public deposit

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

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 of Particulars in the report of the Board of Directors) Rules, 1988, is not required as none of the Directors/employees was in receipt of remuneration of Rs. 5,00,000 or more per month or Rs. 60,00,000 per annum in the aggregate.

Auditors

M/S B.M. VARMA & CO., Chartered Accountants, the statutory auditors of the company, retires at the ensuing Annual General Meeting of the company and being eligible offered themselves for re-appointment as the Statutory Auditors of the company. The company has received a certificate from them as required under the provisions of section 224 (1) (B) of the Companies Act, 1956, and that they are not disqualified for such re-appointment with the meaning of Section 226 of the companies act 1956.

Your Board considered and accordingly recommends the re-appointment of **M/S B.M. VARMA & CO.**, Chartered Accountants as the Statutory Auditors of the company for the financial year ending on 31st March, 2014.

Notes on Accounts

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

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 -A to this Report.

Industrial relations

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

Acknowledgement

Your Directors wish to place on record their deep gratitude to the Departments of State/Central Governments, (Specially the State of Assam) 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 of Directors

Dated: 27.08.2013
Place: Baddi

Sd/-
Amit Gupta
Director

Sd/-
Ramesh Gupta
Director

Annexure To Directors Report



Annexure 'A'

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Report of Directors.

CONSERVATION OF ENERGY

Energy Conservation measures taken and impact of measures taken:

- (i) Variable frequency drive installed on Fan and Utility Water Transfer Pump. This resulted in 30% energy savings.
- (ii) Motor ratings reduced with Lower rating as per requirement. The impact of this was that 40% energy was saved and reduced total connected load.
- (iii) Traditional lamps replaced by CFL & Metal Halide Lamps. This increased the illumination level.

b) Additional investments/proposals, if any, for the reduction of energy consumption.

Continuous efforts are being made to further reduce expenditure on power and fuel.

Total energy consumption and Energy Consumption per unit of production:

A	Electricity	And	Fuel	2012-2013	2011-2012
Consumption					
1.	Electricity				
	A	Purchase Unit (KWH)		1836891	1399765
		Total amount (Rs.)		11939791.00	9098474.00
		Average Rate (Rs.)		6.50	6.50
	B	Own Generation		-	-
		i	-	-	-
			-	-	-
			-	-	-
		ii	-	-	-

B) TECHNOLOGY ABSORPTION

I) RESEARCH & DEVELOPMENT (R&D)

a) Specific area in which R&D carried out by the Company:

1. Developing commercially viable non-infringing processes for regulated markets.
2. Developing commercially viable non-infringing processes for non regulated market.

1. Filing patents
2. Contract Research
3. Custom/contract manufacturing

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

1. Cost of several APIs reduced. Improved Sales and contribution.
2. Many new products developed and successfully commercialized in SEMI-REGULATED markets
3. Technology to manufacture key intermediates.
4. Safe and environment friendly process is the major achievement.
5. Speed to marketplace
6. Enhanced global presence.

c) Future plan of action

- i) The New R&D Centre was commissioned by the Company which will focus on research on new products and augmenting company's efforts to launch its products in the regulated markets and CRAMS.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

1. Efforts, in brief made towards technology, absorption, adaptation and innovation.
 - The developed technologies and the process were used to manufacture APIs for commercial purpose for domestic as well as export markets.
2. Benefits derived as a result of above efforts e.g. product improvements; cost reduction, product development etc.
 - New products have been launched for regular commercial production, which have broadened the product range of the Company leading the organization to the stage of a research-based organization.
3. Information in case of imported technology (imports during last five years).
 - Not applicable

C) FOREIGN EXCHANGE EARNING AND OUTGO

1 Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The company continued to comply with regulatory requirements of various international authorities. Its facilities retained the approval of various international authorities all over the world. This will continue to provide the necessary platform to further expand the Company's overseas operations.

2. Total foreign exchange used and earned:

During the year the foreign exchange outgo was \$ 579931.55 and the earnings in foreign exchange were \$ 437232.33. Details have been given at Point No. 12 and 13 of Notes on Accounts.

Annexure 'B'

The statement pursuant to section 217(b) (ii) of the Companies, Act, 1956 and the companies (Particulars of Employees) Rules, 1975 and forming part of Directors' report is given below.

Name	Designatio	Age	Qualifications	Experience	Date of Appointment	Gross Remuneration (Rs. In lacs	Last Employment
Nil			Nil			Nil	

Note :

Gross remuneration comprises basic salary, allowances, monetary value of perquisites as per the rules under the Income Tax Act, 1961 and contribution to Provident fund.

Management Discussion & Analysis Report



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

COMPANY VIS-A-VIS INDUSTRY

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 and with the setting up of new plant in Guwahati in Assam the product portfolio of the Company is going to increase with induction of new products under its umbrella. 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.

(In Lacs)

PARTICULARS	2012-2013	2011-2012	2010-2011
Total Income	83650.52	69870.58	60757.80
EBIDTA	2217.91	2252.41	2007.42
Profit before tax	423.80	719.60	817.34
Profit after tax	154.74	577.28	647.32

During the year under review the company has achieved a turnover of Rs. 83650.52 lacs, as compared to the previous year turnover of Rs. 69870.58 lacs. The turnover of the company has grown substantially. The consumption of raw material has also increased vis-a-vis the increase in the turnover of the Company. The Financial expenses of the company have also surged during the year. The Company has earned Net profit after tax of Rs. 154.74 lacs.

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.

KEY PRODUCTS

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 and new project for manufacturing of Aluminium cables & conductors.

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.

COMPETITIVE STRENGTH

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

OPPORTUNITIES AND RISKS

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.

INTERNAL CONTROL SYSTEM

Your 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.

HUMAN RELATIONS

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.

SAFETY

Safety management is integrated with the Company's overall environment, health and safety management system and has taken up the zero-accident goal. To achieve this the Company has taken up the following measures:

- Identification of the hazards and risks present in the work environment and its rectification
- Continuous monitoring of unsafe conditions and unsafe acts through safety inspection.
- Safety induction training for all employees and specific job safety awareness programmes on a continuous basis.

CORPORATE IMAGE BUILDING

Sturdy continued with the corporate image building initiatives in 2011-12 with focus on the Customer contact programs. Emotional Connect initiatives such as performing puja during the delivery of goods and customer meets were organized. This along with well-planned media relations activities made sure Sturdy's growth story was present in the mass media throughout the year. Sturdy explored branding and communications with a view to explore both, external and internal communications to best effect. Our credit screens and processes are aligned to deliver superior customer service to our target customers who are largely first time buyers and small customers in deeper reaches of rural and semi urban India. On the other hand our Captive

Suvidha team focuses on converting our existing customers into lifelong customers.

Sturdy continues to invest time and money in further refining sales processes and systematic measurement of process metrics, aimed at improving efficiency and customer satisfaction. Significant investments in branch network and sales force automation will hold the key to winning customers in an ever increasing competitive environment.

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 2013. 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.

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.

On and behalf of the Board of Directors

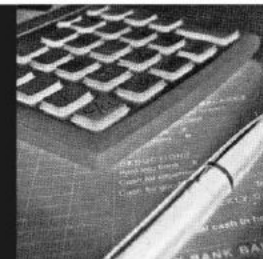
Sd/-

M L Gupta

Chairman & Managing Director

Place: Baddi
Dated: 27.08.2013

Report of the Directors on Corporate Report



COMPANY'S PHILOSOPHY ON THE CODE OF 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.

BOARD OF DIRECTORS:

The present strength of the Company's Board is five. There are three Executive Director including the Chairman and Managing Director and the other two are Non-Executive Independent Directors. The Board of Directors is a sound mix of executive and independent Directors to maintain the independence of the Board and to separate the Board function of governance and management. The Board meets at least four times in a year at quarterly intervals and more frequently, if deemed necessary. The independent Directors on the Board of the Company are well experienced in different fields of business.

Directors retiring by rotation and are being considered for reappointment.

In accordance with the provisions of Companies Act, 1956, Shri Amit Gupta, will be retiring by rotation at the ensuing Annual General Meeting. Being eligible he offers himself for re-appointment. Brief resumes along with additional information required under Clause 49 of the Listing Agreements for the director seeking re-appointment is as under:

Name	Mr. Amit Gupta
Date of Birth	21st November, 1978
Date of appointment	30th September, 2003
Qualification	MBA, B. Tech (Mechanical)
Expertise in specific functional area	He has newly entrant in the Corporate Management. Although all of his family members have been involved since inception of the business. Due to family background it took no time to take up the Company's Management without any problem and inconvenience.
List of outside *Directorship held exclude Alternate Director	1. Tirupati Aluminium Limited 2. Swati Pipes Private Limited
**Membership/Chairmanship of the committees of the Board of Directors	Nil
Chairman/Member of the **Committee of the Board of Directors of other Companies in which he is a Director	Member of Investor Grievance Committee of:- 1. Tirupati Aluminium Limited
Number of shares held in the company	427350 equity shares of Rs 2/- each.

* Excludes Directorships in Indian Private Limited Companies, foreign companies, companies under section 25 of the Companies Act, 1956.

** Includes only Audit Committee and Shareholders'/Investors' Grievance Redressal Committee.

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 the normal course of business.

BOARD MEETINGS:

During the year ended on 31st March 2013, Eleven Board meetings were held on 7th April 2012, 10th May 2012, 2nd July 2012, 10th August 2012, 24th August 2012, 27th August 2012, 1st October 2012, 14th November 2012, 24th December 2012, 13th February 2013 and 18th March 2013.

Details of attendance at Board Meetings during the year:

Name of Director	Designation	Board Meetings held during 2012-2013	Total no. of Board Meetings attended	Attendance of AGM held on 29th Sept. 2012
Shri M.L. Gupta	Managing Director	11	11	Yes
Shri Ramesh Gupta	Executive Director	11	11	Yes
Shri Amit Gupta	Executive Director	11	11	Yes
Shri Devinder Nath Sharma	Independent Non Executive Director	11	11	Yes
Shri Ashok Bhatia	Independent Non Executive Director	11	10	No

None of the Non Executive Directors have any material pecuniary Relationship or transaction with the company.

The company has not entered into any materially significant transactions with its Directors/Management of Relatives etc. affecting the interest of the company at large, except in the normal course of Business.

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 Three members, all of them are well-versed in finance, accounts, company law and general business practices.

The composition of the Audit Committee is as under:

- **Sh. Devinder Nath Sharma - Chairman**
- **Sh. Ashok Bhatia -Member**
- **Sh. Ramesh Gupta - Member**

All the members of the Audit committee possess financial/accounting expertise.

The composition of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of the Companies Act, 1956.

Terms of reference:

The terms of reference of the Audit Committee include

- :A) Oversight of the Company's Financial reporting;
- b) Recommendation to the Board the appointment, re-appointment of Statutory Auditors.
- c) Reviewing with the management, the financial statements before submission to the Board for approval.
- d) Considering and approving changes if any in accounting policies and practices;
- e) Overseeing compliance with Listing and other legal requirements with relation to financial statements.
- f) To review the Company's financial and risk management policies.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meeting Held during the year 2012-2013	No. of meetings attended
Mr. Devinder Nath Sharma	Chairman, Independent Non Executive Director	4	4
Mr. Ramesh Gupta	Non Independent, Executive Director	4	4
Mr. Ashok Bhatia	Independent Non Executive Director	4	4

During the financial year under review 4 Audit Committee Meeting were held. The dates on which the said meetings were held are as follows:

10th May 2012, 10th August 2012, 14th November 2012 and 13th February 2013.

Necessary quorum was present for all the meetings.

Investors' Grievance Committee :

The committee consists of the following Directors:

- **Shri Ashok Bhatia - Chairman**
- **Shri Devinder Nath Sharma - Member**
- **Shri Ramesh Gupta - Member**

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/issues resolved, usually within 15 days unless there is a dispute or other legal constraints.

No requests for share transfer are pending.

Remuneration-cum-Compensation Committee

The committee comprises:

- **Shri Ashok Bhatia - Chairman**
- **Shri Devinder Nath Sharma- Member**
- **Shri Amit Gupta - Member**

The terms of reference of the Remuneration Committee are the determination of remuneration packages of the Executive Directors, including remuneration policy.

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. The details of the remuneration paid to the directors during the financial year ended on 31st March 2013:

Name of Directors	Salary and Allowances	Perquisites	Sitting Fees	Commission	Total
Mr Mohan Lal Gupta	1,200,000	-	-	-	1,200,000
Mr Ramesh Gupta	1,200,000	-	-	-	1,200,000
Mr Amit Gupta	1,200,000	-	-	-	1,200,000
Total	3,600,000	-	-	-	3,600,000

CODE OF CONDUCT:

The Company in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the amendments thereof has formulated/revised a Code of Conduct for prevention of Insider Trading. The code lays down guidelines, which advises on procedures to be followed and disclosures to be made while dealing with the shares of the company and indicate the consequence of non compliance.

The company has also laid down a Code of conduct for Board members and senior management personnel. The company is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations. The Board of directors and senior management have confirmed their compliance with the Code during the year. A declaration by Chairman & Managing Director affirming the compliance with the Code is annexed at the end of the Report.

GENERAL BODY MEETINGS:

Location and time of the last three Annual General Meetings:

Year	Venue	Day and Date	Time
2011-12	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Saturday, 29.09.2012	10.00 AM
2010-11	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Friday, 30.09.2011	10.00 AM
2009-10	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Thursday, 30.09.2010	11.00 AM

DISCLOSURE:

The Board has received disclosures from Key Managerial Personnel relating to material, financial and commercial transactions where they and /or their relatives have personal interest. There are

no materially significant related party transaction of the company which have potential conflict with the company at large.

None of the transaction with any of the related parties were in conflict of the interest of the company.

2.Details of Non Compliance by the company, penalties and strictures imposed on the company by the stock exchange or SEBI or any other statutory authority, or any matter 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 unaudited financial statements in the Performa prescribed by the stock exchanges within 45 days 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 email id for investor complaints redressal cell: chemiplast@yahoo.com

The official website of the company: www.sturdyindustries.com

The Management Discussion and Analysis Report forms part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION:-

Registered Office and works	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)
Administrative Office	: 55-57, Industrial Area, Sector I, Parwanoo, Distt, Solan (HP)
Corporate Office	: 55-57, Industrial Area, Sector I, Parwanoo, Distt, Solan (HP)
Address for correspondence	: 5557, Industrial Area, Sector I, Parwanoo, Distt, Solan (HP)
Annual General Meeting	: Monday, 30.09.2013, Baddi, at 10.00 A.M
Financial calendar	: (Tentative)
Financial Year	: April 1, 2013 to March 31, 2014
Results for quarter Ending June 2013	Second Week of August, 2013

Results for quarter Ending September 2013	Second Week of November, 2013
Results for quarter Ending December 2013	Second Week of February, 2014
Results for quarter Ending March 2014	Second Week of May, 2014
Book Closure date	27th September 2013 (Friday) to 30th September 2013 (Monday)

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 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 on the BSE Limited, Mumbai.

B) Stock Market Data

Stock code: The stock code for the Company's share is as follows:

The Bombay Stock Exchange - Code : 530611

Stock Market Data for the period April 2012 to March 2013 from BSE Limited

Month	Open Price	High Price	Low Price	Close Price	No. of Shares Traded
April-2012	2.80	3.74	2.70	3.00	2,37,546
May-2012	2.91	3.25	2.52	2.77	3,76,957
June-2012	2.95	3.17	2.65	2.89	3,45,160
July-2012	2.99	3.72	2.76	3.14	3,46,000
August-2012	3.20	3.41	2.80	2.92	11,61,015
September-2012	3.04	3.57	2.75	3.04	14,45,763
October-2012	3.04	4.29	2.96	3.61	13,42,497
November-2012	3.78	5.33	3.29	5.15	17,27,729
December-2012	4.96	5.15	3.97	3.98	5,63,787
January-2013	3.98	4.20	3.00	3.05	14,27,098
February-2013	3.00	3.34	2.45	2.46	10,27,572
March-2013	2.41	2.58	2.00	2.17	2,53,288

Distribution of Shareholding as on 31.03.2013

S No.	No of Equity Shares Held	Shareholders No.	No. of Shares Held	% of Shareholding
1.	Upto 500	1406	442966	0.69
2.	501-1000	1015	975068	1.52
3.	1001-2000	989	1686770	2.62
4.	2001-3000	292	782250	1.22
5.	3001-4000	135	505294	0.79
6.	4001-5000	294	1417573	2.20
7.	5001-10000	291	2348622	3.65
8.	10001 & Above	427	56150417	87.31
	Total	4849	64308960	100.00

Shareholding Pattern as on 31.03.2013

Category	Shareholders Nos.	Nos. of Share held	% To Total
Promoter & Promoter's Group	25	34298210	53.33
Non-Resident Individuals/OCBs/FIIs	27	250807	0.39
Bodies Corporate	155	12141644	18.88
Resident Individuals	4642	17618299	27.40
Total	4849	64308960	100.00

Registrar and Transfer Agent

Transfer Agent for physical transfers and demat shares:

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

COMPLIANCE TO OTHER NON-MANDATORY REQUIREMENTS:

a) The Board

The Chairman of the Company is an Executive Chairman thus this provision is not applicable.

b) Remuneration Committee

The Board has a Remuneration Committee under the nomenclature 'Nomination and Remuneration Committee' whose terms of reference, composition and other relevant particulars have been mentioned in this report.

c) Shareholders rights

Since the quarterly, half yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's website, these are not sent individually to the shareholders of the Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company under the 'Investors' section.

d) Auditor qualifications

It is always the Company's endeavour to present unqualified financial statements. There is no audit qualification in the Company's Financial Statements for the F.Y. ended 31st March, 2013.

On and behalf of the Board of Directors

Sd/-

M L Gupta

Chairman & Managing Director

Place: Baddi

Dated: 27.08.2013

Certification As Per Clause 49 (V) Of The Listing Agreement

To

The Board of Directors

Sturdy Industries Limited

Plot No 21, Industrial Area,

Baddi-173205

Distt. Solan-HP

We, the undersigned in our respective capacities as Chairman cum Managing Director, and Chief Financial Officer of Sturdy Industries Limited, certify to the Board in terms of requirements of Clause 49 (V) of the Listing Agreement that we have reviewed the Financial Statement and the Cash Flow Statement of the Company for the Financial Year ended 31st March, 2013.

1. To the best of our knowledge and belief, we certify that:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iii) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violated against the Company's Code of Conduct.

2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

3. We have indicated to the Auditors and the Audit Committee:

- (a) significant changes, if any, in the internal controls over financial reporting during the year.

(b) significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

(c) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Sturdy Industries Limited

Place: Baddi
Dated: 27.08.2013

Sd/-
M L Gupta
Chairman & Mg Director

Sd/-
Ramesh Gupta
CFO cum Director

Declaration Of Compliance With Code Of Conduct Under Clause 49(i) (D) (ii) Of The Listing Agreement

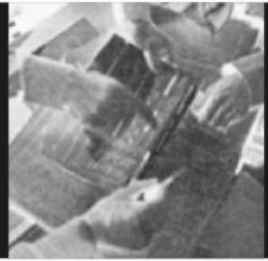
I, Mohan Lal Gupta, Chairman cum Managing Director of the Company, do hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Board of Directors, as applicable to the Board of Directors and Senior Management of the Company. The same has been made available on the website of the Company i.e. www.sturdyindustries.com

For Sturdy Industries Limited

Place: Baddi
Dated: 27.08.2013

Sd/-
M L Gupta
Chairman & Mg Director

Auditor's Report on Corporate Governance



To

The Members

Sturdy Industries Limited

We have examined the compliance of condition of Corporate Governance by M/s Sturdy industries Limited for the year ended 31st March 2013, as stipulated in Clause 49 Listing Agreement of the said Company with Stock exchange.

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our Examination is Limited to a review of procedure and implementations thereof, adopted by the Company for ensuring the compliance of the condition 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.

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 condition of the Corporate Governance as stipulated in the Clause 49 of the mentioned Listing Agreement.

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

For B.M. VARMA AND CO.
Chartered Accountants
Firm Registration No 001099N

CA Gurdev Bassi
(Partner)
Membership No 092009

Place: Chandigarh
Dated: 27.08.2013

Auditor's Report

TO THE MEMBERS OF STURDY INDUSTRIES LIMITED BADDI.

We have audited the accompanying financial statements of STURDY INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B.M. VARMA AND CO.
Chartered Accountants
Firm Registration No 001099N

CA Gurdev Bassi
(Partner)
Membership No 092009

Place: Chandigarh
Dated: 27.08.2013

Annexure to the Auditor's Report

Referred to in paragraph 1 of our Report of even date on the accounts for the year ended on 31st March, 2013 of STURDY INDUSTRIES LIMITED.

1. a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets.
b) The Company has verified all its fixed assets during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its business.
c) The company has not disposed off any fixed assets during the year.
2. a) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year.
b) In our opinion and according to the information given to us the procedures of physical verification of inventories 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 has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book of records.
3. The Company has not granted any loans secured or unsecured during the year to the companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. The company has not taken/accepted loan, secured or unsecured during the year to the companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956.

In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

6. a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered has been so entered in the register maintained U/s 301 of the Companies Act, 1956.
B) In our opinion and according to the information and explanations given to us, the

transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year of 500,000/- or more in respect of each party have been made at prices which in our opinion, are reasonable having regard to prevailing market price at the relevant time.

7. In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposit accordingly provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Rules framed there under.
8. In our opinion and according to the information and explanations given to us, the Company has in general adequate internal audit system commensurate with the size and the nature of the business of the Company.
9. We have been informed that the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
10. a) According to the information and explanations given to us and on the basis of records produced before us, the Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with appropriate authorities applicable to it.

b) In our opinion and according to the information and explanations given to us, there are no undisputed and outstanding amount payable in respect of Income Tax, Wealth Tax, Fringe Benefit Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty as on 31st March, 2013 for a period of more than six months from the date they became payable.
11. The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the financial year and in the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to banks and financial institutions.
13. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
15. The Company is not dealing or trading in shares, securities, debentures and other investments..

16. In our opinion and according to explanations given to us, the company has given guarantees in respect of loans taken by associates companies from bank/financial institution. The terms and condition of such guarantee are not prejudicial to the interest of the Company
17. The Company has not raised any new term loan during the period, but has outstanding loan in the immediately preceding year.
18. In our opinion and according to the information and explanations given to us as well as on the basis of our over all examination of the Cash Flow Statement and the Balance Sheet, we report that no funds raised for short term basis have been used for long term Investment and no long term funds have been used to finance short term assets.
19. Based on the examination of records and the information provided to us by management we report that 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.
20. The Company has not issued debentures during the accounting year ended on 31st March, 2013.
21. As per the information and explanations given to us, the company has not raised any money by way of public issue during the year.
22. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

For B.M.VARMA AND CO.
CHARTERED ACCOUNTANTS

Firm Registration No 001099N

CA Gurdev Bassi

Partner

Membership No 092009

PLACE: Chandigarh

DATED: 27/08/2013

Balance Sheet As at 31st March, 2013

Particulars	Note No	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	148,617,920.00	128,617,920.00
(b) Reserves and Surplus	2	554,202,202.82	491,309,016.77
(c) Money received against share warrants		-	70,000,000.00
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	537,701,436.10	441,883,546.10
(b) Deferred tax liabilities (Net)	4	36,625,560.15	18,204,019.15
(c) Other Long term liabilities		-	-
(d) Long term provisions	5	82,217,176.00	81,728,140.00
(4) Current Liabilities			
(a) Short-term borrowings	6	968,527,484.23	957,128,300.56
(b) Trade payables	7	678,743,367.42	272,930,305.30
(c) Other current liabilities	8	9,802,083.00	10,225,690.38
(d) Short-term provisions	9	11,270,427.00	17,402,362.79
Total		3,027,707,656.72	2489429301.05
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	924,673,473.37	296,279989.01
(ii) Intangible assets	10	7,639,920.00	7,639,920.00
(iii) Capital work-in-progress	10	9,166,055.00	546,641,629.48
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	1,649,960.00	1,649,960.00
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	32,083,145.28	28,136,763.46
(e) Other non-current assets		52,645.00	179,140.00
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	13	803,292,972.75	442,035,269.48
(c) Trade Receivables	14	1,040,324,365.37	999,559,128.43
(d) Cash and cash equivalents	15	106,317,804.39	90,761,578.08
(e) Short-term loans and advances	16	96,837,748.56	71,809,480.11
(f) Other current assets	17	5,669,567.00	4,736,443.00
Total		3,027,707,656.72	2,489,429,301.05

Notes to Accounts & Accounting Policies

25

AUDITOR' REPORT

as per our separate report
of even date annexed here to
For B.M. VARMA AND CO.
CHARTERED ACCOUNTANTS
Firm Registration No 001099N

CA Gurdev Bassi
Partner
Membership No. 092009

Place: Chandigarh
Dated: 27.08.2013

On behalf of the Board,
for Sturdy Industries Ltd.

Ramesh Gupta
Director

Amit Gupta
Director

Profit & Loss for the year ended 31st March, 2013

Particulars	Note No	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
I. Revenue from operations	18	8,351,250,527.05	6,972,767,345.17
II. Other Income	19	13,801,538.00	14,291,185.29
III. Total Revenue (I +II)		<u>8,365,052,065.05</u>	<u>6,987,058,530.46</u>
IV. Expenses:			
Cost of materials consumed	20	8,327,989,752.33	6,728,863,044.67
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(284523595.14)	(39550506.13)
Employee benefit expense	22	19,935,169.24	12,332,018.21
Financial costs	23	129,763,233.48	133,233,169.65
Depreciation and amortization expense		49,648,476.84	20,102,153.85
Other expenses	24	79,858,692.58	60,117,846.55
Total Expenses		<u>8,322,671,729.72</u>	<u>6,915,097,726.80</u>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	42,380,335.72	71,960,803.66
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	42,380,335.72	71,960,803.66
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	<u>42,380,335.72</u>	<u>71,960,803.66</u>
X. Tax expense:			
(1) Current tax		8,484,600.00	15,000,000.00
(2) Deferred tax		18,421,541.00	(768,190.00)
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	15,474,194.72	57,728,993.66
XII. Profit/(Loss) from discontinuing operations			-
XIII. Tax expense of discontinuing operations			-
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)		-
XVI. Earning per equity share:			
(1) Basic		0.53	1.05
(2) Diluted		0.53	1.05

Significant Accounting Policies & Notes to Accounts 25

AUDITOR' REPORT

as per our separate report
of even date annexed here to
For B.M. VARMA AND CO.
CHARTERED ACCOUNTANTS
Firm Registration No 001099N

CA Gurdev Bassi
Partner
Membership No 092009

Place: Chandigarh
Dated: 27.08.2013

On behalf of the Board,
for Sturdy Industries Ltd.

Ramesh Gupta
Director

Amit Gupta
Director

Share Capital

Particulars	Amount in (Rs)		Amount in (Rs)	
	As at 31.03.2013		As at the 31.03.2012	
	Number	Value	Number	Value

Note 1.1

Authorised

Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	200,000,00.00
Equity Shares of Rs. 2/-each	82,500,000	165,000,000.00	82,500,000	165,000,000.00

Issued

Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/- each	64,308,960	128,617,920.00	54,308,960	108,617,920.00

Subscribed & fully Paid up

Preference shares of Rs 100/- each	200,000	20,000,000.00	200,000	20,000,000.00
Equity Shares of Rs. 2/-each fully paid	64,308,960	128,617,920.00	54,308,960	108,617,920.00

Subscribed but not fully Paid up

Preference shares of Rs 100/- each	-	-	-	-
Equity Shares of Rs. 2/- each, not fully paid up	-	-	-	-

Total	64,508,960	148,617,920.00	54,508,960	128,617,920.00
--------------	-------------------	-----------------------	-------------------	-----------------------

Note 1.2

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
Shares outstanding at the beginning of the year	54,308,960	108,617,920.00	54,308,960	108,617,920.00
Shares Issued during the year	10,000,000	20,000,000.00	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	64,308,960	128,617,920.00	54,308,960	108,617,920.00

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

Note 1.3

Particulars	Nature of Relationship	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Equity Shares	NIL	NIL	NIL

Preference Share

Name of Shareholder	Amount in (Rs)		Amount in (Rs)	
	As at 31.03.2013		As at the 31.03.2012	
	<u>No. of Shares</u>	<u>% of Holding</u>	<u>No. of Shares</u>	<u>% of Holding</u>
	<u>held</u>		<u>held</u>	

Note 1.4

Aravali Industries limited	110000	55	110000	55
----------------------------	--------	----	--------	----

Equity Shares

Name of Shareholder	Amount in (Rs)		Amount in (Rs)	
	As at 31.03.2013		As at the 31.03.2012	
	<u>No. of Shares</u>	<u>% of Holding</u>	<u>No. of Shares</u>	<u>% of Holding</u>
	<u>held</u>		<u>held</u>	
M.L Gupta and Sons(HUF)	4476778	6.96	4476778	8.24
Shri M.L Gupta	3229826	5.02	3229826	5.95
Shri Ramesh Gutpa	6479701	10.08	5986121	11.02
Tirupati Aluminium Limited			2727000	5.02
Alpine Capital Services Limited	4242500	6.6	4242500	7.81

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
-------------	--

Note 1.5

Equity Shares :

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 1.6

Unpaid Calls

By Directors	NIL
By Officers	NIL

Note 1.7

Appropriate disclosures to comply with this point to be made by the Management

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Note 2 Reserves & Surplus		
A. Securities Premium Account		
Opening Balance	19,636,000.00	19,636,000.00
Add : Securities premium credited on Share issue	50,000,00.00	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures For Issuing Bonus Shares	-	-
Closing Balance	69,636,000.00	19,636,000.00
B. Revaluation Reserve		
Opening Balance	110,938,000.00	110,938,000.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	110,938,000.00	110,938,000.00
C. Other Reserves		
General Reserve		
Opening Balance	9,095,131.26	9,095,131.26
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	9,095,131.26	9,095,131.26
D. Subsidy		
Opening Balance	-	-
(+) Current Year Transfer	375,600.00	375,600.00
(-) Written Back in Current Year	-	-
Closing Balance	375,600.00	375,600.00
E. Surplus		
Opening balance	351,264,285.51	294,554,855.67
(+) Net Profit/(Net Loss) For the current year	15,474,194.72	57,728,993.66
(-)(+) Provision for Taxation /Adj.	(2,581,008.57)	1,019,563.82
Closing Balance	364,157,471.51	351,264,285.51
Total	554,202,202.82	491,309,016.77

Note 3 Long Term Borrowings

Secured

(a) Term loans *

- Punjab National Bank- Parwanoo(of the above, ` 100 %
is guaranteed by Directors and Promoters / Others)

336,781,337.00 345,377,880.00

(b) Commercial Vehicle loans

- HDFC Bank - Truck Loan

-

- Punjab National Bank- Parwanoo

1,225,677.00 538,995.00

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Unsecured		
(a) Term Loan		
from Shareholders/Directors and Their Relatives	199,694,422.10	95,966,671.10
*Terms of Repayment _____		
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)		
1. Period of default	-	-
2. Amount	-	-
Total	537,701,436.10	441,883,546.10

***Nature of Security and Terms of repayment for Loan Term Secured Loans**

Nature of Security

1. Term Loan Amounting to Rs. 151.33 Lacs (Rs. 242.87 Lacs as on 31.03.2012) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Baddi (H.P.)

2. Term Loan Amounting to Rs. 3301.82 Lacs (Rs. 3301.82 As on 31.03.2012) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Assam.

3. Term Loan Amounting to Rs.2.42 Lacs (Rs. 3.05 As on 31.03.2012) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Assam

4. Term Loan Amounting to Rs.3.84 (Rs. 5.69 As on 31.03.2012) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Assam

5. Term Loan Amounting to Rs.13.09 (Rs. Nil As on 31.03.2012) is secured by Exclusive and specific charge on Assets Acquired under the Loan for Plant at Baddi

Terms of Repayment

1. Repayment in 22 Quarterly Instalments Commencing from April, 2010. ROI 14.75 % P.A. as at year end (previous Year 14.50 % P.A.)

2. Repayment in 24 Quarterly Instalments Commencing from May, 2013. ROI 12 % P.A. as at year end (previous Year NIL P.A.)

3. Repayment in 60 Monthly Instalments Commencing from Feb, 2011. ROI 11.75 % P.A. as at year end (previous Year 12% P.A.)

4. Repayment in 35 Monthly Instalments Commencing from Feb, 2011. ROI 11.75 % P.A. as at year end (previous Year 12% P.A.)

5. Repayment in 35 Monthly Instalments Commencing from Feb, 2013. ROI 11.25 % P.A. as at year end (previous Year NIL P.A.)

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
-------------	------------------------------------	--

Note 4 Deferred Tax Liabilities

Opening Balance	18,204,019.15	18972209.15
Add/Less : During the Year	18,432,541.00	(768,190.00)
Total	36,625,560.15	18,204,019.15

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Note 5 Long Term Provision		
(a) Provision for employee benefits		
Gratuity (unfunded)	3,021,657.00	2,532,621.00
(b) Others		
Securities Deposit	79,195,519.00	79,195,519.00
Total	82,217,176.00	81,728,140.00
Note 6 Short Term Borrowing		
<u>Secured</u>		
(a) Loans repayable on demand from banks		
- Punjab National Bank- CC Limit (Secured By Hyp.of Stocks and Book Debts)	968,527,484.23	808,969,760.56
(of the above, ` 100 % is guaranteed by Directors and Promoters / Others)	<u>968,527,484.23</u>	<u>808,969,760.56</u>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default	-	-
2. Amount	-	-
<u>Unsecured</u>		
(a) Loans repayable on demand		
from NBFC And Others		148,158,540.00
from other parties		-
(of the above, `100 % is guaranteed by Directors and / or others)		<u>148,158,540.00</u>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default	-	-
2. Amount	-	-
Total	968,527,484.23	957,128,300.56

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
-------------	------------------------------------	--

Note 7 Trade Payables

(a) Sundry Creditors	678,743,367.42	272,930,305.30
Total	678,743,367.42	272,930,305.30

Note 8 Other Current Liabilities

(a) Current maturities of long-term debt

Punjab National Bank - Term Loans	9,090,908.00	9,090,908.00
-----------------------------------	--------------	--------------

(b) Other payables (specify nature)

H.D.F.C. - Commercial Vehicle Term Loan	-	801,266.38
Punjab National Bank - Commercial Vehicle T/L	711,175.00	333,516.00

Total	9,802,083.00	10225690.38
--------------	---------------------	--------------------

Note 9 Short Term Provision

(a) Provision for employee benefits	1,060,383.00	1,027,886
(b) Others (Specify nature)	1,725,444.00	1,374,476.79
Provision for Tax Payable	8,484,600.00	15,000,000
Total	11,270,427.00	17,402,362.79

Note 10 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2012	Additions/ (Disposals)	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Balance as at 31 March 2013	Balance as at 1 April 2013	Balance as at 31 March 2012
a Tangible Assets (Not Under Lease)								
Land	118766879.00	4550190.00	123,317,069.00	0	0	-	123,317,069.00	118766879.00
Building	72497530.10	96571264.14	169,068,794.24	36,078,461.02	7,644,826.5	43,723,287.53	125,345,506.71	36419069.08
Plant & Machinery	252299093.14	573363163.15	825,662,256.29	122,440,115.75	39,309,948.09	161,750,063.84	663,912,192.45	129858977.39
Furniture & Fixture & Other Equipment	3220225.60	815433.00	4,035,658.60	2,355,837.27	136,100.93	2,491,938.20	1,5437,20.40	864388.33
Vehicle	27459216.87	2615416.00	30,074,632.87	17,088,541.76	2,431,106.32	19,519,648.08	10,554,984.79	10370675.11
Total (i)	474242944.71	677915466.29	1,152,158,411.00	177,962,955.80	49,521,981.84	227,484,937.64	924,673,473.37	296279988.91
Previous Year	471946497.71	2296447.00	474,242,944.71	157,987,296.85	19,975,658.95	177,962,955.80	296,279,988.91	313959200.82
Tangible Assets (Under Lease)								
Total (ii)	-	-	-	-	-	-	-	-
Total (i+ii)	474,242,944.71	677,915,466.29	1,152,158,411	177,962,955.80	49,521,981.84	227,484,937.64	924,673,473.37	296279988.91
b Capital Work In Progress	-	-	-	-	-	-	9,166,055.00	546641629.48
Total	-	-	-	-	-	-	9,166,055.00	546641629.48
Total	-	-	-	-	-	-	933,839,528.37	1093283258.96

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Note 11 Non Current Investment		
A Trade Investments (Refer A below)		
(a) Investment in Equity instruments	549,960.00	549,960.00
(b) Investments in Mutual Funds	1,100,000.00	1,100,000.00
(c) Other non-current investments (specify nature)	-	-
Total	1,649,960.00	1,649,960.00
Less : Provision for dimunition in the value of Investments	-	-
Total	1,649,960.00	1,649,960.00
Aggregate amount of quoted investments (Market value of `2799783.00 (Previous Year `1649960.00)	2,799,783.00	1,649,960.00
Aggregate amount of unquoted investments (Previous Year NIL)	2,799,783.00	1,649,960.00
Note 12 Long Term Loans and Advances		
a. Security Deposits		
Unsecured and considered good	32,083,145.28	26,817,219.28
	32,083,145.28	26,817,219.28
b. Loans and advances to related parties		
Unsecured and considered good	0.00	1,319,544.18
	0.00	1,319,544.18
Total (a+b)	32,083,145.28	28,136,763.46
Directors *	-	2,357,187.97
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
	-	2,357,187.97
Note 13 Inventories		
a. Raw Material (Valued at Cost or Market Price Whichever is Less)	165,648,799.02	91,022,218.07
b. Finished Goods (Cost or Market Price Whichever is less)	634,657,605.73	350,134,010.59
c. Stock In Transit (Cost or Market Price Whichever is less)	-	8,535.85
e. Store & Spare (Cost or Market Price Whichever is less)	397,530.00	58,982.50
f. Packing Material (Cost or Market Price Whichever is less)	2,589,038.00	811,522.47
Total	803,292,972.75	422,035,269.48

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Note 14 Trade Receivable		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured and considered goods	967,501,660.37	935,744,043.43
Less: Provision for doubtful debts	-	-
	<u>967,501,660.37</u>	<u>935,744,043.43</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured and considered good	72,822,705.00	63,815,085.00
Less: Provision for doubtful debts	-	-
	<u>72,822,705.00</u>	<u>63,815,085.00</u>
Total	<u>1,040,324,365.37</u>	<u>999,559,128.43</u>
Note 15 Cash and cash equivalents		
a. Balances with banks	738,964.43	3,428,336.48
b. In Fixed Deposit with :-		
- Punjab National Bank	92,021,433.30	57,057,279.30
c. Cash in hand	13,557,406.66	30,276,062.30
Total	<u>106,317,804.39</u>	<u>90,761,578.08</u>
Note 16 Short-term loans and advances		
a. Others (specify nature)		
Unsecured and considered good		
i) Advance Tax/TDS	440,133.00	8,492,845.00
ii) Balance with Excise, & Others Govt Authorities	81,048,054.59	57,820,128.11
III) Staff and Others	7,780,416.97	5,496,507.00
IV) Prepaid Expenses	3,607,943.00	0.00
Total	<u>96,837,748.56</u>	<u>71,809,480.11</u>
Note 17 Other current assets		
Intt. Accrued On FDR	552,955.00	4,688,551.00
Tools and Dies	140,011.00	47,892.00
Total	<u>5,669,567.00</u>	<u>4,736,443.00</u>
Note 18 Revenue From operation		
a. Sale of products;	852,585,508.01	696,802,343.17
b. Job Work	-	474,390.00
Less:		
Excise duty.	174,607,980.96	-
TOTAL	<u>8,351,250,527.05</u>	<u>6,972,767,345.17</u>

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Note 19 Other Income		
Lease Rent	13,800,000.00	13,800,000.00
Commission	1,538.00	491,185.29
Total	13,801,538.00	14,291,185.29
Note 20 Cost of Materials Consumed		
1. Raw Material		
Opening Stocks of Raw Materials	91,022,218.07	107,176,965.12
ADD : Raw Material Purchased	8,785,396,920.21	6,786,493,081.39
Less: Transfer	(393,776,592.82)	76033472.45
Closing Stocks of Raw Material	165,648,799.02	91,022,218.07
Cost of Raw Material Consumed (a)	<u>8,316,993,746.44</u>	<u>6,726,614,355.99</u>
2. Store and Spares		
Opening Stock	8,535.85	-
Add: Purchases	2,856,467.81	2,248,688.68
Less: Closing Stock	397,530.00	
Consumption of Stores and Spare (b)	<u>2,467,473.66</u>	<u>2,248,688.68</u>
3. Packing Material		
Opening Stock	-	
Add: Purchases	11,117,570.23	
Less: Closing Stock	2,589,038.00	
Consumption of Packing Material (c)	8,528,532.23	
Total (a+b+c)	8,327,989,752.33	6,728,863,044.67
Note 21 Change In Inventories		
(a) Opening Stocks of Finished Goods	350,134,010.59	310,583,504.46
(b) Closing Stocks of Finished Goods	634,657,605.73	350,134,010.59
Change In Inventories	<u>(284,523,595.14)</u>	<u>39,550,506.13</u>
Note 22 Employee Benefits Expenses		
Salaries And Wages	12,003,015.00	8,334,818.00
Labour Welfare	570,566.24	482,440.21
E.S.I	320,895.00	281,160.00
Director Remuneration	3,660,000.00	2,220,000.00
Consultancy Charges	1,0007,969.00	734,045.00
Provident Fund	1,428,133.00	-
Gratuity	944,591.00	279,555.00
Total	19,935,169.24	12,332,018.21
Note 23 Finance Cost		
Interest On Term Loan	5,338,479.62	4,404,212.1
Bank Charges and Interest on Working Capital	124,424,753.86	128,828,957.55
Total	129,763,233.48	133,233,169.65

Particulars	Amount in (Rs) As at 31.03.2013	Amount in (Rs) As at the 31.03.2012
Note 24 Other Expenses		
A . Manufacturing Expenses		
Electricity & Water Charges	11,939,791.00	9,098,474.00
Power & Fuel	3,481,260.00	1,413,433.31
Freight and Cartage	24,170,344.76	10,399,486.96
Repair and Maintanence	59,326.00	2,540,537.95
Builing	1,252,923.40	4,222,001.00
Plant and Machinery	1,910,983.82	1,681,545
Job Work	2,530,048.00	11,097,140.92
Total - A	45344676.98	40452619.14
B . Administration Expenses		
Printing & Stationery	381,369.90	503,2080.00
Postage And Telegram	572,530.00	441,677.62
Telephone & Photostate	134,076.00	55,263.52
Vehicle Running And Maintenace	5,183,276.00	4,638,419.00
Travelling And Conveyance	2,049,212.00	1,468,495.00
Insurance Charges	1,055,363.040	9,85,,558.00
Service Tax	694,676.00	438,801.0
Fees and Taxes	4,067,891.85	3,003,657.00
Listing Fee	47,626.00	44,879.00
Audit Fee **	220,000.00	206,630.00
Consultancy Charges	2,480,574.00	659,849.00
Legal & Profesional	629,040.00	26,500.00
General Expenses	523,276.00	356,103.14
Web Site Charges	116,102.28	19,500.0
Tender Expenses	526,036.00	18,400.00
Membership & Subscription	27,600.00	10,000.00
Short & Excess	7,329.86	3,652.46
Written Off	2,402,356.21	
Total - B	21,118,335.50	12,880,622.74
C. Selling and Distribution Expenses		
Freight & Cartage Outward	8834578.90.	4,037,653.97
Advertising & Publicity	374,092.00	183,471.00
Testing Charges	1,775,072.40	633,390.00
Business Promotion	454,166.00	342,952.00
Discount and Rebate	1,957,770.80	1,587,137.70
Total- C	13395680.10	6,784,604.67
Total A + B + C	79858692.58	60,117,846.55
Payments to the auditor as **		
a. auditor (Statutory)	125,450.00	125450
b. for taxation matters	56,180.00	56180
c. for company law matters	-	-
d. for management services	-	-
e. for other services	15,000.00	15000
f. for reimbursement of expenses	-	-
Total	196,630.00	196,630.00

25. SIGNIFICANT ACCOUNTING POLICIES.

1. Basis of preparation

The financial statements of the company are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted principles in India, Provision of the Companies Act 1956(the Act) and comply in material aspects with the Accounting Standards notified under Section 211(3C) of the Act, read with Companies (Accounting Standards) Rules,2006.

2. Revenue Recognition

a) sale of Goods is Recognized on dispatches' to customers which generally coincides with transfer of title, significant risk and rewards of ownership to customers and includes excise duty.

b) dividend Income is accounted for when right to receive is established.

c) interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

3. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation, less impairment losses, if any. Cost is inclusive of all identifiable expenditure incurred to bring the assets to their working condition for intended use. Where an asset is scrapped or otherwise disposed off, the cost and related depreciation is written back and the resultant profit or loss, if any, is reflected in the Profit and Loss Account.

4. 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 except depreciation on Plant & Machinery is provided on basis of plant in a continuous process in Aluminum and Irrigation Division.

5. 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.

6. Investments

Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

7. Inventories

Inventories are valued as follows:

- a) Finished Products produced and purchased by the company are carried at lower of cost or realizable Price.
- b) Raw Material produced and purchases by the company are carried at lower of cost or Net realizable Price.
- c) Work in Progress is carried at cost plus propionate expenses.
- d) Scrap is carried at lower of cost and net realizable value.
- e) Stores and spare parts are carried at cost or Net realizable Price whichever is less.

8. Use of Estimates

The preparation of Financial Statements 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.

9. Provision for Taxes

A) Current Tax:

Provision for Income Tax is determined in accordance with the provisions of Income tax Act, 1961.

10. Provision, Contingent Liabilities & Contingent Assets.

Provision involving substantial degree of estimation in measurement is recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

11. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchanges rate prevailing on the date of transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year ends rates. In case of items which are covered by forward exchanges contracts, the difference between the year end rate and rate on the date of the contracts is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

12. Prior Period Items etc.

Material Items if any, relating to the prior period, non-recurring and extraordinary items etc., are disclosed separately.

13. Employee Benefits

The company's contribution in respect of Provident Fund are charged against revenue every year. Present Liability for future payment of gratuity and unavailed leave benefits to the employees at the end of the year will provided on the basis of actuarial valuation and will be charged to revenue as and when it becomes applicable .

14. Research and Development

No Expenses have been incurred on Research and Development .

15. Other Accounting Policies

These are consistent with the generally accepted accounting standards as issued from time to time.

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 amount 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.

Contingent Liability not provided for in respects of :

	Rs. In (Lacs)	
	Current Year	Previous Year
(a) Outstanding balance of Bank Guarantees	Rs 4797.00	Rs 2835.11
(b) Corporate Guarantee	* Rs 1550.00	Rs 1550.00
c) Outstanding ILC/FLC	** Rs 4942.00	Rs 4768.06

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

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

4. Balance of Unsecured Loans Current Liabilities, Current Assets, Loans and Advances have a value 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.

5. 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.

6. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for net of advances Rs 91.66 Lacs(Previous Year Rs 5466.41 Lacs)

7. Payments to Auditors.

	Current Year	Previous Year
a) Statutory Audit Fee	125450.00	125450.00
b) Tax Audit Fee	56180.00	56180.00
c) Other Services	15000.00	15000.00

1. 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.

2. 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	Plastic Pipes & Irrigations	ACC Sheet	Aluminium Division	Trading	Others	Total
A. Primary Segment Information						
Segments Revenue						
Sales	17198.95	138.00	55868.53	12178.00	0.01	85383.59
Total Revenue	17198.95	138.00	55868.53	12178.00	0.01	85383.59
Segments Result						
Interest						1297.64
Profit Before Interest						1687.80
Provision For Current Tax						78.25
Profit after Tax						311.92
Segments Assets	6040.07	1954.46	5616.52	62.66		
Segments Liabilities	6040.07	1954.46	5616.52	62.66		
Capital Expenditure						6283.94
Depreciation	50.35	49.60	395.27			495.22

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 Industires	55-57,Industrial Area, Sector-1, Parwanoo	Associates Company
2.	Tirupati Aluminium Limited	44/1,Pipli Wala Town, Mani Majra,Chandigarh	Associates Company

Key management personnel and Relative:

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

b) Transaction with related parties

Particulars	31st March, 2013
Goods Purchases	3234538782.30
Goods Sold	3196549926.85

11 : PAYMENTS TO DIRECTORS

Particulars	31st March 2013
Salaries and Allowances	
Shri M.L. Gupta	12, 00,000.00
Shri Ramesh Gupta	12, 00,000.00
Shri Amit Gupta	12, 00,000.00

12. Expenditure in Foreign Currency	Current Year	Previous Year
Capital Assets	\$ 35705.00	\$ 5733215.00
Aluminium, Granules Etc	\$ 544226.55	\$ 257061.00
Others	–	\$ 33467.00
13 Earning in Foreign Exchange	\$ 437232.33	\$ 572242.61
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 31/03/2013	Year Ended 31/03/2012
A)	Net Profit After Tax	42380336	56905654
B)	Weighted Average number of equity share for basic EPS(Nos)	64308960	54308960
C)	Face value per Share	2	2
D)	Basic EPS (Rs)	0.53	1.05
E)	Diluted EPS (Rs)	0.53	1.05

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

There are no micro and small enterprises to which the company owes dues which are outstanding for more than 95 days as at 31/03/2013. This information is required to disclosed under micro and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

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.

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

PLACE: Chandigarh
DATED: 27/08/2013

CA Gurdev Bassi
Partner
Membership No. 092009

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

	For the year Ended 31.3.13 (Rs. In Lacs)	For the year Ended 31.3.12 (Rs. In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	423.80	719.61
Adjustment for Depreciation	495.22	199.75
Misc. Exp. W/off	1.27	1.27
Intt. Expenses	1297.63	1332.33
Intt. Received	0.00	0.00
Operationg Profit before Working Capital	2217.92	2252.96
Changes	0.00	0.00
Adjustment for	0.00	0.00
Trade & Other Receivables	-407.65	-2552
Inventories	-3612.58	-219.12
Change in Others Current Assests	-250.3	-365.00
	-4270.53	-3136.12
Trade Payable	4058.13	2115.00
Other liabilities & Provisions	-65.70	688.00
Change in Bank Finance	114.00	1371.00
	4106.43	4174.00
Cash flow before extra ordinary items	2053.83	3298.84
Income Tax for the Current Year	84.80	150.00
Net Cash from Operating Activities		3140.84
(Closing Balance)	1969.02	5692.84
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1441.94	-5171
Refund of Loan/Deposits	00.00	00.00
Intt. Received	00.00	00.00
Purchase / Sale of Intangible Assets	1.30	00.00
Intt. Received Change in Current Assest	-398.40	930.00
Net Cash from Investing Activities	-1839.04	-4241.00
(Closing Balance)		

C. CASH FLOW FROM FINANCING ACTIVITIES

Intt. Expenses	-1297.63	-1332.33
Increase in Long Term Borrowings	963.10	3394.00
Increase in Bank Borrowings for Working Capital	0.00	-810.00
Adjustment for General Reserve	0.00	0.00
Share Premium	0.00	0.00
Share Application Money	0.00	0.00
Issue of Share Capital	-500.00	
Change in Share Premium	500.00	
Repayment of Loans	0.00	0.00
Misc. Expenditure	0.00	0.00
Net Cash Flow from Financing Activity	-334.53	1251.67
Net Increase in Cash & Cash Equivalents	-204.55	151.51
Cash and Cash Equivalents (Opening Balance)	347.51	196.00
Cash and Cash Equivalents (Closing Balance)	142.96	347.51

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

For B.M. VARMA and CO.
CHARTERED ACCOUNTANTS
Firm Registration No 001099N
CA Gurdev Bassi
Partner
Membership No 092009

Place: Chandigarh
Dated: 27.08.2013

On behalf of the Board,
for Sturdy Industries Ltd.

Amit Gupta
Director

Ramesh Gupta
Director

Proxy Form

I/We.....of.....
being a member/ members of the Sturdy Industries Limited hereby appoint, Mr. / Mrs./
Miss..... of.....or failing
him,.....of proxy to attend and to vote for me/us and on my/
our behalf at the Annual General Meeting of the Company to be held on Monday 30th September, 2013
at 10.00 A.M. at 21, INDUSTRIAL AREA, BADDI, DISTT. SOLAN. H. P. 173205 and any adjournment
thereof.

Signed thisday of2013

Regd. Folio.No.....

Signature.....

Name.....

Rupee one
Revenue
Stamp is to
be affixed

Notes:

1. The proxy must be deposited at the Registered office of the Company at : 21, Industrial Area, Baddi, Distt. Solan, H. P. 173205 atleast 48 hours before the time for holding the meeting.
2. A proxy need not be a member of the Company.

ATTENDANCE SLIP

(PLEASE FILL ATTENDANCE SLIP AND HAD IT OVER AT THE ENTRANCE OF THE MEETING HALL)

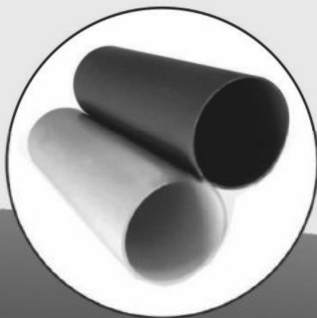
Name of the attending Member.....
(In Block Letter)

Name of Proxy (in case of proxy).....

I hereby record my presence at the Annual General Meeting held on
Monday, 30th September, 2013 at 10.00 AM at 21, Industrial Area, Baddi, Distt. Solan, H. P. 173205

Member's/ Proxy's Signature
(to be signed at the handing over this slip)

Note: This copy of Annual Report may please be brought to the Meeting Hall.



Sturdy Industries Limited

www.sturdyindustries.com

Email : contact@sturdyindustries.com, sunbond@gmail.com