

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

Devinder Nath Sharma – Chairman
Ashok Bhatia-Member
Ramesh Kumar Gupta– Member

B INVESTOR GRIEVANCE COMMITTEE

Shri Ashok Bhatia – Chairman
Shri Devinder Nath Sharma – Member
Sh. 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. Verma & Company
Chartered Accountants
Chandigarh

BANKERS

Punjab National Bank, Parwanoo (Himachal Pradesh)

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

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Our Business

Sturdy Industries Limited (incorporated in 1989) is the flagship of the prominent Rs 700-Cr Chemiplast Group (established in 1975). Our business interests comprises Agriculture, power transmission and building material.

Our business cater to the following priority sectors:

- Agriculture (manufactures specialized pipes integral to advanced **drip and sprinkler irrigation systems**)
- Building products (**manufactures aluminium composite panels**)
- Power (**manufactures power transmission and distribution conductors of all sizes** at Baddi, Parwanoo and Guwahati; all aluminium conductors; ACSR conductors; aerial bunched cables; all aluminium alloys conductors and supplies to Powergrid Corporation; various state electricity boards and private power transmission and distribution companies; aluminium wire rods; alloy wire rods for manufacturing cables and conductors).

We are among the top five in the agriculture infrastructure and among the top four in aluminium composite panel manufactures and top five in aluminium conductors in India.

The company's micro-irrigation systems, sprinkler and drip irrigation systems and HDPE, PVC and LLDPE pipes are marketed under the Swati brand; metallic/coloured aluminium composite panels and sheets are sold under the Sunbond brand.

AGRICULTURE (PRIORITY SECTOR OF GOVERNMENT OF INDIA)

- **MICRO IRRIGATION SYSTEMS (MIS):**

The Cabinet Committee on Economic Affairs (CCEA) approved the implementation of the existing Micro Irrigation Scheme as National Mission on Micro Irrigation(NMMI)

The plan would be implemented during the financial year 2012-13 with an outlay of Rs 14242 crore.

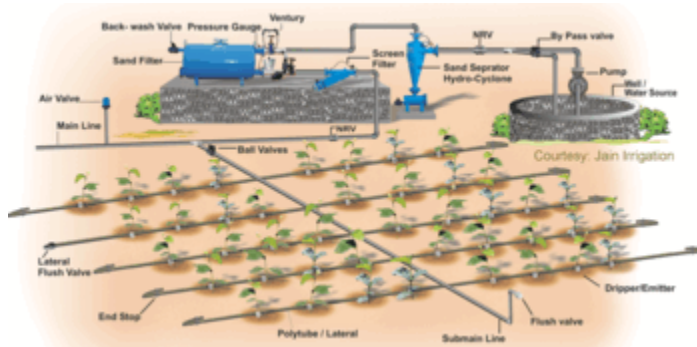
This method introduced in 1987 which become popular and results in 2.85 million hectare under micro irrigation upto financial year 2010.

It help in increasing the yield & production and used for well & canal irrigated crops. It improves the quality of the fruits & vegetables.

The MIS comprises 40 percent as central share, 10 percent as State Government and 50 percent as the beneficiary's share and even 80% to 90% in many states as Central and State Govt subsidy to farmers.

- **SPRINKLER & DRIP IRRIGATION SYSTEMS:**

This method save water from 40 % to 70% & Increase yield over 50%.It have ability to irrigate unshaped fields, safe use of recycled water, minimized soil erosion, low labour cost etc.



BUILDING PRODUCTS

- **ALUMINIUM COMPOSITE PANELS (USED IN IT PARKS, MALLS, HOTEL, PETROL PUMPS ETC)**

SUNBOND brand aluminium composite panels are manufactured at Baddi (H.P.) in thickness of 1mm to 6mm and in width of 1220mm to 1600mm on most advanced new technology. SUNBOND, ACP is available in wide range of attractive and aesthetic standard,

RAL colors and special patterns. It is ideal building material for interiors & exteriors. ACPs are produced in a wide range of metallic and non-metallic colours as well as patterns that imitate other materials, such as [wood](#) or [marble](#).

POWER

- **POWER TRANSMISSION & DISTRIBUTION ALUMINIUM CONDUCTORS - AAC, AAAC, ACSR, ABC**

The company is manufacturing power transmission & distribution conductors in all sizes at Baddi, Parwanoo and Guwahati & supplies to state electricity boards and private power transmission & distribution companies besides Powergrid Corporation of India Limited.

ALL ALUMINIUM CONDUCTORS & ALL ALUMINIUM ALLOY CONDUCTORS -It is used in mainly in Urban areas because spacing is short & the support is close. It is made up of one or more strands of aluminium wire depending on end usage. ACSR CONDUCTORS- used for river crossings, overhead ground wire, installations involving extra long spans etc. The principal advantage of these conductors are high tensile strength so that they are used for longer spans with less supports.



AERIAL BUNCHED CABLES -Tampering with power-line like hooking also gets eliminated resulting in much more efficient utilization of power. High degree of safety & reliability.

OUR PRESENCE

Our manufacturing facilities are located in the following tax-free-zones:

- Parwanoo and Baddi (Himachal Pradesh): Irrigation pipes for sprinkler and drip irrigation systems.
- Baddi (Himachal Pradesh): Aluminium composite panels
- Derabassi (Punjab): Asbestos corrugated cement sheets and accessories.
- Baddi and Parwanoo (Himachal Pradesh): Transmission and distribution Conductors & Cables (ACSR, ACC, ABC, AAAC)
- Guwahati (Assam): Transmission and distribution Conductors & Cables (ACSR, ACC, ABC, AAAC)
- Sturdy's corporate office is located in Parwanoo (Himachal Pradesh).
- Our products and facilities enjoy quality certifications like ISO 9001:2000, and BIS (Bureau of India Standard).
- Our shares are listed on the Bombay Stock Exchange since 1995.

OUR PROMINENT CLIENTS (ACROSS ALL BUSINESS SEGMENTS)

Power Grid Corporation of India Limited, State Electricity Boards of Himachal Pradesh, Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, and Delhi, KLG Systel Ltd., Unique Structures and Tower Ltd., Apar Industries Ltd., Reliance Industries Ltd.

All agricultural and horticulture departments of the state governments of Himachal Pradesh, Punjab, Haryana, Uttar Pradesh, Uttaranchal and Andhra Pradesh, among Others.

OUR STRATEGIES FOR EXPANSION

Sturdy is working aggressively in primarily two sectors :

AGRICULTURE AND POWER

Expansion: We have commissioned a large factory (60,000 MTPA) with project cost of Rs. 111 Cr for the manufacture of large diameter cable & conductors at Guwahati (Assam) including special sizes of extra high voltage conductors. This plant has

enhanced our manufacturing capacity from 15,000 to 75,000 MTPA and widen our range of cable & conductors.

The company's profitability will grow tremendously due to the concessions available in the State of Assam including Central Excise exemption, Income tax exemption, Sales tax exemption and 3% Working Capital Interest Subsidy, near to raw Material and finished market.

Power grid alone has set up target of spending Rs. 55000 cr to set up transmission corridor in the North East in the next 5 years.

The profit margin will improve considerably in the years to come with setting up of North East unit. Sturdy is also aggressively focusing on execution of Turnkey contracts in power transmission for which the ground work is being done now and sales from turnkey contracts is expected by 2013-2014 which will further improve Profit margins.

CENTRE APPROVES NATIONAL MISSION ON MICRO IRRIGATION

The Cabinet Committee on Economic Affairs (CCEA) approved the implementation of the existing Micro Irrigation Scheme (MIS) as the National Mission on Micro Irrigation (NMMI) in June 2010.

The plan would be implemented during the financial year 2012-13 with an outlay of Rs. 14242 crore.

The Central share in the project would compromise 40 percent subsidy for general farmers and 50 percent subsidy for small and marginal farmers besides State Govt/NABARD Subsidy assistance upto 90%.

Based on the recommendations of the Task Force on Micro Irrigation constituted by the Government of India. A scheme for implementation of Micro irrigation technology in agriculture is being implemented in the country since 2005-2006 as the Micro Irrigation Scheme.

The technology involves irrigating crops at the root zone as per the crop requirement comprising drip and sprinkler systems.

This technology greatly enhances water use efficiency and can also be used for fertilizer application. Savings in use of micro irrigation water; fertilizers and electricity; increase in production and productivity of crops; convergence with other water harvesting structures and linking the same with Micro Irrigation system for higher water use efficiency and enhanced return to the farmers.

Since the inception of the Scheme, an area of 17.92 lakh hectare has been brought under Micro Irrigation in 18 States by utilizing Rs 2013.39 crore as the central share upto March 2010.

POWER SECTOR POTENTIAL

The Power & Energy Infrastructure Sector in India is poised for a major take-off. The APDRP (Accelerated Power Development & Reforms Program 2002-2012) has seen an

Addition of around 22,000 MW during last five years. And during the next five years, a capacity addition of over 78,000 MW has to be setup.

The market potential to sustain the GDP growth rate of India @ 8% plus per annum needs the power sector to grow at 18% i.e. 2 times the GDP rate of growth as espoused by economists, planners and industry experts.

OUTLOOK

- Over 78000 MW of new generation capacity is planned in the next five years
- A corresponding investment is required in Transmission and Distribution networks.
- During the period 2007-2012 average economic growth rate has been projected at 9% per annum. To sustain this economic growth power sector has also to grow by 9% to 18%.
- Power costs need to be reduced from the current high of 8 – 10 cents/unit by a combination of lower AT & C losses, increased generation efficiencies and added low- cost generating capacity.
- Opportunities in Transmission network ventures additional 90000 circuit km of Transmission network expected by 2017
- Private sector participation possible through JV and 100% equity mode
- Total investment opportunity of about US \$150 billion over a 5 year horizon
- Various scheme like RGGYY, R-APDRP are being implemented at a very rapid pace.
- The Prime Minister of India Dr. Manmohan Singh has announced on 15th August 2012, that every house hold will be electrified in the next five years.

POWER SECTOR

Power Infrastructure in India has an installed power generation capacity of 156 GW as on Dec 2009-fifth largest in the world. The country generated a total of 723.8 billion KWH in FY 2008-2009 to meet the demand of 777 billion KWH. The country is clearly a power deficit economy. The power deficit in the country has been to the tune of 11% during 2008-2009. It is noteworthy here that the power demand mentioned accounts only for the demand from the electrified areas of the country. The country has about 80000 villages that are yet to be electrified. Further, the mentioned deficit does not take

into account the latent demand (the electricity demand that could not be realized due to load shedding). “.....Central Electricity Authority has projected energy shortage of 9.3% and peak power shortages of Central 12.6% in 2009-10.....”

ACHIVEMENTS DURING FY 2011 – 2012

- Group Company M/s Swati Storwel Pvt Ltd. now merged with M/s Study Industries Limited, received Best & Successful Small Medium Enterprises Entrepreneur Award for the year 2009 on 6th Jan, 2011 at New Delhi by Shri Pranab Mukherjee, Hon'ble Union Finance Minister. The award was instituted by Federation of Association of Small Industries of India (FASII).
- Assam unit of the company has been approved as vendor for Powergrid Corporation of India Limited, Gurgaon (PGCIL) for supply of aluminium conductors after going through a rigorous and lengthy procedure of works approval, product quality approval, management and financial position approval of the company.
- Successfully commissioned and started new large size aluminium conductors and cables unit at Guwahati (Assam). which is fully operational now. New sizes of cables and conductors have added to the company's diversified range and it finds good demand in the market.
- With addition of new customers, markets, dealers and expansion of production capacities the sales have increased exponentially with increase in profit margins.
- By regular expansions and increasing volumes, the Company has been able to negotiate better with the suppliers thereby increasing the profit margins and reducing operating costs with inception of new technologies from time to time.

EXPANSION PLANS

- Setting up of 3MW Hydel Power plant near shimla. Financial closure has already tied up. Construction will be started shortly. Hydel power plant is expected to be operational by March 2014.
- Sturdy is working aggressively to focus in the power sector in the future. The company is planning to enter into supply, erection, installation, commissioning of turkey projects for power transmission and distribution. For this purpose, the company is opening EPC (Engineering Procurement Construction) division. This activity will increase the profit margin further. The EPC division will be operational by March 2013.

NOTICE

Notice is hereby given that the ensuing Annual General Meeting of Company will be held on Saturday the 29th day of September, 2012 at 10:00 AM at the Registered Office of the company at Plot 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 at 31st March, 2012 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. Ashok Om Prakash Bhatia, who retires by rotation and being eligible, offers himself for 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. VERMA & CO., Chartered Accountants, having 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 re appointment, be and are hereby appointed as the statutory auditors of the company for the financial year ending on 31st March, 2013.

RESOLVED FURTHER 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. VERMA & CO., Chartered Accountants.

FOR AND ON BEHALF OF THE BOARD
OF STURDY INDUSTRIES LIMITED

PLACE: BADDI
DATED: 03.09.2012

RAMESH GUPTA
(Director)

Notes

- 1) A member entitled to attend and vote at the meeting and is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) Members 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 22nd September 2012 (Saturday) to 28th September 2012 (Friday) (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

PLACE: BADDI
DATED: 03.09.2012

RAMESH GUPTA
(Director)

DIRECTOR'S REPORT

To

Dear shareholders

Your Directors have pleasure in presenting the Annual Report for the financial year ended 31st March 2012

Financial results:

The financial performance of the Company for the year ended 31st March 2012, is summarized below:-

PARTICULARS	In lacs	
	31st March 2012	31st March 2011
Income from Sales	69727.67	60679.17
Other income	142.91	78.62
Total income	69870.58	60757.80
operating expenditure	67618.17	58750.38
Profit before tax and dep.	2252.41	2007.42
Interest	1332.33	985.13
depreciation	201.02	204.95
NET PROFIT BEFORE TAX	719.06	817.34
Provision for taxes	150.00	165.96
Deferred Tax	-7.68	-2.24
Extraordinary items	-	6.30
NET PROFIT AFTER TAX	576.68	647.32
Paid-up share capital	1286.17	1286.17

Results of operations:

During the year under report, 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 an annual turnover including income from other sources) of Rs. 69870.58 Lacs (increased by 16%)

as compared to the expenditure during the year which amounted Rs. 69151.52 Lacs. Resultantly, the surplus has been Rs. 719.06 lacs, as compared to the previous year net profit amounted to Rs. 647.32 lacs. The financial performance of the company is expected to increase further as the newly set up project started commercial products in the north-east states.

Your management is totally engrossed in planning and implementing the new projects and as well 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. The Directors and top managers being experienced and aggressive are have been the duties to look after the projects independently. 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 is Rs. 128,617,920/- divided into 54,308,960 Equity of Rs. 2/- and 200,000 Preference shares of Rs. 100/- each.

Besides the company has issued 10,000,000 warrants fully convertible into equally number of equity shares and pursuant thereof the company received an application money Rs. 70,000,000/-.

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 respectionals.

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. Ashok Om Prakash Bhatia, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The brief resume of Mr. Ashok Om Prakash Bhatia, 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 deposits

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. VERMA & CO., Chartered Accountants, statutory auditors of the company, retires at the ensuing Annual General Meeting of the company and being eligible offered themselves for reappointment 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. VERMA & CO., Chartered Accountants as the Statutory Auditors of the company for the financial year ending on 31st March, 2013

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 there under, 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 27.08.2012
Place: Baddi

Amit Gupta
Director

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 CONSUMPTION		2011-2012	2010-2011
1	Electricity			
	A	Purchase Unit (KWH)	1399765	2365267
		Total amount (Rs.)	9098474.00	15374234.00
		Average Rate (Rs.)	6.50	6.50
	B	Own Generation	-	-
	i	Through Diesel Generator set (KWH)	-	-
		Unit per Litre of diesel Oil	-	-
		Cost of fuel per unit	-	-
	ii	Through Steam Turbine/Generator	-	-

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.
3. Filing patents
4. Contract Research
5. 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 commercial 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 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 \$ 6023743 and the earnings in foreign exchange were \$ 572242.61. Details have been given at Point No. 12 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	Designation	Age	Qualification	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 and 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 manufacturers 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	2011-2012	2010-2011	2009-2010
Total Income	69870.58	60757.80	49936.76
EBIDTA	2252.41	2007.42	1659.96
Profit before tax	719.06	817.34	738.23
Profit after tax	576.68	647.32	595.92

During the year under review the company has achieved a turnover for Rs. 69870.58 lacs, as compared to the previous year turnover of Rs. 60757.80 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. 576.68 lacs as compared to the previous year net profit after tax of Rs. 647.32 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/coloured Aluminum Composite panels and sheets with SUNBOND brand name well accepted in the market.
- Power transmission and distribution infrastructure comprising aluminium conductors, cables and aluminium wires.
- The new line being added to the company's product portfolio is venturing into the Power Sector 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 2012. 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

Place: Baddi
Dated: 27.08.2012

M L Gupta
Chairman & Managing Director

CORPORATE GOVERNANCE 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 Ashok Om Prakash Bhatia, will be retiring by rotation at the forthcoming 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(s) seeking re-appointment is as under:

Name	Mr Ashok Om Prakash Bhatia
Date of Birth	9 th August, 1953
Date of appointment	24 th December, 2005
Qualification	B A
Expertise in specific functional area	To take up the company's management without any problem and inconvenience. With my association, the company undertake the execution of multi level projects such as Power and ACP Sheets. Both these ventures are viable and are having all growth oriented potentials.

List of outside *Directorship held exclude Alternate Director	Nil
**Membership/Chairmanship of the committees of the Board of Directors	Member: Audit Committee Chairman: Investor Grievance Committee Chairman: Remuneration-cum-Compensation Committee
Number of shares held in the company	Nil

* 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 2012, Nine Board meetings were held on 30th April 2011, 31st May 2011, 30th July 2011, 01st September 2011, 14th September 2011, 31st October 2011, 6th January, 2012, 31st January 2012, and 26th March 2012.

Details of attendance at Board Meetings during the year:

Name of Director	Designation	Board Meetings held during 2011-2012	Total no. of Board Meetings attended	Attendance of AGM held on 30 th September 2011
Shri M.L. Gupta	Managing Director	9	9	Yes
Shri Ramesh Gupta	Executive Director	9	9	Yes
Shri Amit Gupta	Executive Director	9	9	Yes
Shri Devinder Nath Sharma	Independent Non Executive Director	9	9	Yes
Shri Ashok Bhatia	Independent Non Executive Director	9	9	Yes

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 2011-2012	No. of meetings attended
Mr. Devinder Nath Sharma	Chairman, Independent Non Executive Director	4	4
Mr. Ramesh Gupta	Non Independent, Executive	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:

30th April 2011, 30th July 2011, 31st October 2011 and 31st January 2012.

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 2012:

Name of Directors	Salary and Allowances	Perquisites	Sitting Fees	Commission	Total
Mr Mohan Lal Gupta	7,20,000	-	-	-	7,20,000
Mr Ramesh Gupta	8,10,000	-	-	-	8,10,000
Mr Amit Gupta	6,90,000	-	-	-	6,90,000
Total	2,220,000	-	-	-	2,220,000

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.

GENERAL BODY MEETINGS:

Location and time of the last three Annual General Meetings:

Year	Venue	Day and Date	Time
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
2008-09	Plot No. 21, Industrial Area, Baddi, Distt Solan- HP	Wednesday, 30.09.2009	11.00 AM

DISCLOSURE:

1. 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 un-audited financial statements in the Performa prescribed by the stock exchanges within one month of the close of the quarter and the results are announced to all the stock exchanges where the shares of the Company are listed.

The email id for investor complaints redressal cell: chemiplast@yahoo.com

The official website of the company: www.chemiplast.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, Industrial Area, Sector I, Parwanoo, Distt, Solan (HP)	
Corporate Office	55, Industrial Area, Sector I, Parwanoo, Distt, Solan (HP)	
Address for correspondence	55, Industrial Area, Sector I, Parwanoo, Distt, Solan (HP)	
Annual Meeting	General Meeting	Saturday, 29.09.2012, Baddi, at 10.00 A.M
Financial calendar (Tentative)		
Financial Year	April 1, 2012 to March 31, 2013	
Results for quarter Ending June 2012	Second Week of August, 2012	
Results for quarter Ending September 2012	Second Week of November, 2012	
Results for quarter Ending December 2012	Second Week of February, 2013	
Results for quarter Ending March 2013	Second Week of May, 2013	
Book Closure date	22nd September 2012 (Saturday) to 28th September 2012 (Friday)	

Share transfer system

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

b) Stock Market Data

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

The Bombay Stock Exchange - Code : 530611

Stock Market Data for the period April 2011 to March 2012 from BSE Limited

Month	Open Price	High Price	Low Price	Close Price	No. of Shares Traded
April-2011	4.25	5.68	4.2	5.46	670001
May-2011	5.5	5.75	4.36	4.79	733849
June-2011	4.64	4.99	3.9	4.55	523241
July-2011	4.36	4.75	4.04	4.49	423043
August-2011	4.39	4.84	3.45	4.45	715365
September-2011	4.45	5.4	3.9	4.03	792161
October-2011	4.1	4.81	3.7	4.17	249683
November-2011	4.05	4.05	2.57	2.92	642459
December-2011	3.29	3.37	2.3	2.55	461282
January-2012	2.93	3.6	2.46	3.48	238674
February-2012	3.7	4.17	3.13	3.5	311320
March-2012	3.26	3.79	2.56	2.97	501731

Distribution of Shareholding as on 31.03.2012

S No.	No of Equity Shares Held	Shareholders No.	No. of Shares Held	% of Shareholding
1.	Upto 500	1517	471858	0.87
2.	501-1000	1095	1052794	1.94
3.	1001-2000	1014	1734013	3.19
4.	2001-3000	326	872242	1.61
5.	3001-4000	155	574284	1.06
6.	4001-5000	301	1450178	2.67
7.	5001-10000	316	2514934	4.63
8.	10001 & Above	428	45638657	84.03
	Total	5152	54308960	100

Shareholding Pattern as on 31.03.2012

Category	Shareholders Nos.	Nos. of Share held	% To Total
Promoter & Promoter's Group	22	30231710	55.66
Non-Resident Individuals/OCBs/FIIs	28	263410	0.49
Bodies Corporate	169	3897076	7.18
Resident Individuals	4933	19916764	36.67
Total	5152	54308960	100.00

c) 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

On and behalf of the Board of Directors

Place: Baddi
Dated: 27.08.2012

M L Gupta
Chairman & Managing Director