

24th ANNUAL REPORT 2008 - 2009



STERLING STRIPS LIMITED

BOARD OF DIRECTORS

S VENKATA SUBRAMANIAN
DEEPAK S. SHAH
RAJALAKSHMI V.
MUKUND GOPAL GHARPURE
RAJESH ULHAS DESHPANDE
BAKUL SHAH

CHAIRMAN & MANAGING DIRECTOR
WHOLE TIME DIRECTOR
NON EXECUTIVE DIRECTOR
INDEPENDENT NON EXECUTIVE DIRECTOR
INDEPENDENT NON EXECUTIVE DIRECTOR
INDEPENDENT NON EXECUTIVE DIRECTOR

BANKERS

ICICI BANK LTD
CANARA BANK

AUDITORS

M/S. D.C. BOTHRA & CO
CHARTERED ACCOUNTANTS
297, TARDEO ROAD, WILLIE MANSION
NANACHOWK,
MUMBAI 400 007.

REGISTERED OFFICE & WORKS

A 8/4, MIDC INDUSTRIAL AREA,
MURBAD, DIST : THANE,
MAHARASHTRA - 421 401.

CORPORATE OFFICE

2/10, MEGHAL SERVICE INDUSTRIAL ESTATE,
DEVIDAYAL ROAD, MULUND (WEST),
MUMBAI - 400 080.

SHARE TRANSFER AGENT & REGISTRAR

BIGSHARE SERVICES PVT. LTD.
E 2/3, ANSA INDUSTRIAL ESTATE,
SAKIVIHAR ROAD, SAKI NAKA,
ANDHERI (EAST),
MUMBAI 400 072

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of the company will be held at it's Registered Office at A8/4, M.I.D.C. Murbad, Dist: Thane 421 401, on Saturday the 26th September 2009 at 4.00 P.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date and the Reports of Directors & Auditors thereon.
2. To appoint a Director in place of Dr. M.G. Gharpure who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Rajalakshmi Venkat who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors to held office from the conclusion of this Annual General Meeting till the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Regd. Off: A8/4 MIDC, MURBAD
THANE : 421 401.

BY ORDER OF THE BOARD OF DIRECTORS
For STERLING STRIPS LTD.

PLACE : MUMBAI
DATE : 30.07.2009

S VENKATA SUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the company. Proxy form in order to be effective must be deposited with the company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st September, 2009 to 26th September, 2009 (Both days inclusive)
3. Members are requested to notify immediately, any change in address, to the Company at it's corporate office. Any communication with the company will be greatly facilitated if registered Folio No. DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be is quoted.
4. Members / Proxies should bring their attendance slip duly filled for attending the meeting.

ADDITIONAL INFORMATION

1. Dr. Mukund Gopal Gharpure, aged 52 years, Independent Director on the Board is retiring by rotation and seeks reappointment. Dr. Mukund Gopal Gharpure is a Ph. D (Chemical Engg.) by qualification and has got vast experience of more than two decades in the field of Energy Conservation & Audit. He also holds Directorship on the Board of M/s Goldenstar Tech. Serv. Pvt. Ltd. and M/s Yajna Energy Services Pvt. Ltd.
2. Mrs. Rajalakshmi Venkat, aged 50 years, Non Executive Director on the Board is retiring by rotation and seeks reappointment. She is Graduate in Arts and has experience of more than 20 years in the field of business administration.

DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2009 and Auditors Report thereon.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	2008-09	2007-08
Sales & Other Income	583.70	845.65
Profit/(Loss) Before Interest & Depreciation	77.14	111.59
Less: Interest & Finance Charges	0.51	0.56
Profit/(Loss) Before Depreciation	76.63	111.03
Less: Depreciation	16.87	17.89
Profit/ (Loss) Before Tax	59.76	93.14
Less : Provision for Tax	0.66	5.02
Profit/ (Loss) After Tax	59.10	88.12
Add: Balance brought forward	(618.08)	(706.17)
Balance carried to Balance Sheet	(558.95)	(618.05)

DIVIDEND

Considering the accumulated losses of the company, your Directors are unable to recommend any dividend.

OPERATION

The Company has recorded a turnover of Rs. 583.14 Lacs excluding the other income against turnover in the previous year of Rs. 821.13 Lacs. Further the Company has made a profit before tax of Rs 59.76 Lacs for the year ended 31st March 2009 as against a profit of Rs 93.14 Lacs during the previous year ended 31st March 2008. Company is registered with BIFR as case no. 295/2003 and hearing in the matter has been started.

BUSINESS PROSPECTS

The Company is slowly progressing on it's revival path by generating profit for last five years, after a continuous period of loss for seven years and is inching surely and steadily towards it's revival. Revenues of the Company has dipped for the year ended on 31.03.2009 in comparison to year ended on 31.03.2008, in view of world wide recession in general and particularly Company being part of capital goods industry, however current financial year looks quite positive. Company has received numbers of enquiries and is putting all it's efforts to convert those enquiries in orders. Focused attention on the company's expertise in engineering and system integration, resulted in generation of a number of enquires. The company however is selecting it's orders depending upon the suitability of it's resources. The company has executed a number of orders on job-work basis for prestigious clients. The company is actively exploring avenues for enhancing it's turnover and profit in the forthcoming years.

FIXED DEPOSITS

During the year under review the Company has not accepted any deposits within the meaning of Section 58-A of Companies (Acceptance of Deposits) Rule, 1975.

DIRECTORS

Dr. M. G. Gharpure retires by rotation & being eligible offers himself for re-appointment. Mrs. Rajalakshmi Venkat retires by rotation & being eligible offers herself for re-appointment.

AUDITORS

M/s. D.C. Bothra & Co. Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting. They are eligible for re-appointment and have furnished a certificate, certifying that their re-appointment shall be within the limits of section 224(1) of the Companies Act, 1956. Your Directors recommended their re-appointment.

AUDITORS REPORT

As regards the observations made by the Statutory Auditors in their Report, suitable explanations have been included in the notes forming part of the accounts.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The board has adopted the principles of good Corporate Governance and is committed to adopt any obligation under the relevant practices for governance. We believe that good governance is voluntary and self-disciplining, with the strongest impetus coming from Directors, and the management itself. The Board lays emphasis on integrity, transparency and accountability, Compliance Report on Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange, is annexed.

DIRECTORS RESPONSIBILITY STATEMENT

In the preparation of annual accounts for the year ended 31st March 2009, the Company has followed the applicable accounting standards along with proper explanation relating to material departures.

The Directors have selected such accounting policies and applied them consistently and made judgment 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 financial year and of the profit and loss of the Company for the year ended 31st March 2009.

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Directors have prepared the annual accounts on a going concern basis.

PERSONNEL

The relation with the employees of the company continued to be cordial throughout the year under report. None of the employees has been paid remuneration above the amount prescribed under Section 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

A Statement furnishing the information as required under the Companies (Disclosure of particulars in the Report of Directors) Rules 1988 is annexed.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere gratitude for the valuable support extended to your Company by its Bankers, Financial Institutions and Government Authorities.

FOR AND ON BEHALF OF THE BOARD

S/d-
S. VENKATASUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 30.07.2009

ANNEXURE TO DIRECTORS REPORT

(Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company Affairs)

Disclosure**A. Conservation of Energy :****a) Energy Conservation measures taken:**

- Optimization of power factor by effective operation of power capacitor near load point.
- Regular preventive maintenance of energy consuming equipment.
- Maximum demand control by switching off unnecessary illumination.
- Controlling energy consumption by switching off idle machines & electrical power supply system.

b) Additional investments & proposals, if any:

- No additional investment for conservation of Energy was made during the year.

c) Impact of the above measures on consumption of Energy:

- Stabilization in revenue expenditure for maintenance of illumination & electrical power supply system.

d) Total Energy Consumption & Energy:

- Consumption per unit of production as prescribed not given as the Company is not covered under the list of specific industries.

B. Technology absorption : Refer Form 'B' given below

C. Foreign Exchange Earning : Rs. NIL (NIL)

D. Foreign Exchange Outgo : Rs. 1,11,126/- (NIL)

FORM B**1. Specific areas in which R & D carried out by the company.**

- Product development in line with Company's present business
- Development & evaluation of alternate system/raw materials

2. Benefits derived as a result of the above R & D

- Development of existing product of improved design i.e. Industrial Boilers with high efficiency.

3. Further plan of action:

- To carry out further product development & technology up-gradation.

4. Expenditure on R & D:

- Since the research & Development is carried out in the design of the product drawn by our design department, specific expenditure for R & D has not been ascertained.

5. Technology absorption, adoption & innovation:

- No other process for technology absorption, adoption & innovation has been adopted.
- The Company proposes to obtain ISO Certification.

For & On Behalf of the Board

S. VENKATA SUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR.

PLACE : MUMBAI

DATE : 30.07.2009

CORPORATE GOVERNANCE REPORT

1. As per the guidelines of SEBI & amended listing agreement with the stock exchanges, the company is making efforts to implement the guidelines taking into consideration the size of the company.

CORPORATE PHILOSOPHY :

The company believes that good corporate governance is essential to achieve long term corporate goals and to enhance value.

2. **BOARD OF DIRECTORS :**

The company has 2 executive and 4 non executive directors. During the financial year 4 Board meetings were held on 11th June 2008, 31st July 2008, 27th October 2008 & 31st January 2009. The attendance of each Director at the Board meetings and the last Annual General Meeting are as under:

Name of the Directors	Category	No. of Attendance at the Board Meeting	Whether Attending Last AGM	Membership on Board of other Companies
Mr. S. Venkata Subramanian	Chairman & Managing Director	4	Yes	-
Mr. Deepak Shah	Whole Time Director	4	Yes	-
Mrs. Rajalakshmi Venkat	Non Executive	4	Yes	-
Mr. Rajesh Ulhas Deshpande	Independent Director	4	Yes	1
Mr. Mukund Gopal Gharpure	Independent Director	4	Yes	2
Mr. Bakul Shah	Independent Director	4	Yes	-

Dr. Mukund Gopal Gharpure, aged 52 years, Independent Director on the Board is retiring by rotation and seeks reappointment. Dr. Mukund Gopal Gharpure is a Ph. D (Chemical Engg.) by qualification and has got vast experience of more than two decades in the field of Energy Conservation & Audit. He also holds Directorship on the Board of M/s Goldenstar Tech. Serv. Pvt. Ltd., and M/s Yajna Energy Services Pvt. Ltd. The Board is of the opinion that his association would be the most beneficial to the progress of the company.

Mrs. Rajalakshmi Venkat, aged 50 years, Non Executive Director on the Board is retiring by rotation and seeks reappointment. She is Graduate in Arts and has experience of more than 20 years in the field of business administration. The Board is of the opinion that her association would be the most beneficial to the progress of the company.

BOARD PROCEDURE

The Board meets at least once a quarter to review the quarterly performance, financial results and allied matters. A detailed agenda folder is sent to each Director in advance of the Board Meetings. In addition to the matters statutorily requiring Board's approval, all major decisions involving policy, formulation, strategy and business plan are considered by the Board.

3. **AUDIT COMMITTEE:**

The audit committee consists of Shri. Bakul Shah, Mr. Rajesh Ulhas Deshpande and Mrs. Rajalakshmi Venkat, to oversee the company's financial reporting & adequacy of internal control functioning. Mr. Dinesh Kumar Agarwal, Company Secretary acts as secretary to the committee. Four Audit Committee meetings were held 11th June 2008, 31st July 2008, 27th October 2008 & 31st January 2009 during the financial year ended 31st March 2009. Apart from the members, Managing Director and other Finance Executives of the Company also attended the meeting on invitation. The terms of reference were to review the periodical financial statement of the company and to ensure compliance of the internal control system, apart from investigating into any matter as may be referred to it by the Board.

4. **REMUNARATION COMMITTEE:**

The Company has not formed a remuneration committee. The Executive Directors are paid fixed remuneration as approved by the Board, Shareholders & Government authorities as may be necessary. No sitting fee is payable to Executive Directors of the Company. The details of remuneration paid to executive Directors during the financial year 2008 - 09 is as follows.

Name of the Director	Remuneration
Mr. S. Venkata Subramanian	8,40,000/-
Mr. Deepak Shah	7,80,000/-

5. **SHARE HOLDER'S / INVESTOR GRIEVANCE COMMITTEE**

The Composition of Shareholder's / Investor's Grievance Committee as at March 31, 2009 is as under:

Name of the Director	Category
Mrs. Rajalakshmi Venkat	Non Executive
Mr. Rajesh Ulhas Deshpande	Independent Director
Mr. Mukund Gopal Gharpure	Independent Director

REFERENCE:

The gist of terms of reference is as follows:

- Transfer / transmission of shares and all other matters related thereto
- Redressal of investor's / shareholder's grievances.

The Company Secretary, Mr. Dinesh Kumar Agarwal is the compliance officer of the company.

Total Number of complaints received and redressed during the year - 6 Nos.

Complaint pending redressal as on 31.03.2009 - NIL

6. GENERAL MEETINGS:

The Previous Three Annual General Meetings were held as under:

Date	Venue	Time	No. of Special Resolution passed
28 th September 2006	Registered Office of the company A- 8/4, MIDC, Murbad, Thane.	4.00 P.M.	-
27 th September 2007	Registered Office of the company A- 8/4, MIDC, Murbad, Thane.	4.00 P.M.	-
27 th September 2008	Registered Office of the company A- 8/4, MIDC, Murbad, Thane.	4.00 P.M.	-

No resolution has so far been passed by postal ballot.

7. DISCLOUSER:

- There are no materially significant related party transaction (s) i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relative etc, that may have potential conflict with the interest of the company.
- There are no penalties, strictures, imposed on the company by the Stock Exchange or SEBI or any statutory authority for non-compliance by the company, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION:

The quarterly, half yearly and full year results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement and are published in the "The Financial Express" & "Aapla Mahanagar" newspapers.

9. GENERAL INFORMATION

24 th AGM	:	At A- 8/4, MIDC, Murbad, Thane. The Registered Office of the company.
Day, Date & Time	:	Saturday, 26 th September, 2009 at 4.00 P.M.
Financial Year	:	2008 – 09.
Book Closure	:	21 st September, 2009 to 26 th September, 2009.
Registrar & Share Transfer Agent	:	M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.
Dematerialisation of Share	:	CDSL & NSDL ISIN INE067E01013
Plant Location	:	A-8/4, MIDC INDUSTRIAL AREA MURBAD, DIST. THANE, MAHARASHTRA 421 401.
Address for Correspondence	:	2/10, Meghal Industrial Estae, Devidayal Road, Mulund (W), Mumbai - 400 080. Tel. 2560 55 88 Fax 2591 6496 E-mail : ssl@hathway.com.

10. STOCK MARKET DATA

To the best of our information there has been no trading in the shares of the company during the year on the stock exchange.

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

a. Details of shareholding as on March 31ST, 2009

CATEGORY	NO. OF SHARES	PERCENTAGE OF SHAREHOLDING
Promoters Group	21,83,000	53.30
Banks, Financial Institution	7,900	0.19
Private Corporate Bodies	26,800	0.65
Indian Public	17,23,900	42.09
NRI	1,54,400	3.77

b. Distribution of shareholding as on March 31, 2009

Nominal Value of Equity Shares	No. of Shareholders	% of Total Shareholders	Total holding in Rupees	%
1 to 5000	4,700	91.09	8438000.00	20.60
5001 to 10000	240	4.65	2098000.00	5.12
10001 to 20000	74	1.43	1108000.00	2.71
20001 to 30000	70	1.36	1771000.00	4.32
30001 to 40000	7	0.14	264000.00	0.65
40001 to 50000	15	0.29	740000.00	1.81
50001 to 100000	14	0.27	1110000.00	2.70
100001 to above	40	0.77	25431000.00	62.09
Total	5,160	100.00	40960000.00	100.00

DECLARATION

The Board for Directors for the Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed their Compliance with the respective codes for the year ended March 31, 2009

For & On Behalf of the Board

DATE : 30.07.2009

PLACE : MUMBAI

S. VENKATA SUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR.

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE
UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S)**

To
The Members of
STERLING STRIPS LTD.

We have examined the compliance of conditions of Corporate Governance by Sterling Strips Ltd., for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For & D. C. BOTHRA & CO.,
CHARTERED ACCOUNTANTS

DATE : 10.06.2009

PLACE : MUMBAI

(PAWAN BOTHRA)
PARTNER
Membership No. 31215

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This management discussion and analysis report has been prepared in compliance with the requirement of the listing agreement and contains expectations and projections about the strategy for growth, market position, expenditure and financial results. The company's actual result, performance or achievements could differ from those projected in such forward looking statements on the basis of any subsequent development, information, or events for which the company does not bear any responsibility.

Industry Structure & Development

Global meltdown and world wide recession came as a bitter shock for whole industry and resulted in closure of many known industrial houses. Holding on of expansion plans by big corporate houses resulted in job cuts and a sharp dip in industrial growth for the capital goods industry. Market is expected to contract and stabilize by mid of the current financial year. India's strength lies in it's inherent critical mass and self consumption, which is expected to fuel growth of preceding years albeit at a slower pace. Large infrastructure development projects under consideration of Govt. authorities are expected to provide fuel to growth for the engineering sector (of which the company is a part) in forthcoming years.

Opportunities & Threats

Focused attention on job work and appropriate utilization of available resources has paid the company well, in it's efforts to put the company on it's revival path. The company's expertise to provide the industry tailor-made solution as per the specific need of the industry, has opened up new areas of opportunity for the company. Large infrastructure projects under consideration of Govt Authorities and enquiries from private sector industry for expansion projects are expected to provide huge opportunities for the company.

The longer duration of on going world wide recession may have adverse impact on the growth.

Product wise performance

Fabrication of heavy industrial equipment on job work basis and penetration in new areas of opportunities in the capital goods sector paid rich dividends to the company.

Outlook

In view of expansion plans and infrastructure development projects, the company looks with optimism towards it's future. By penetrating new areas of opportunity and judicious utilization of it's experienced manpower, it is expected to generate a number of enquiries for the company. Considering the numbers of enquires and anticipated orders it appears that the performance of the company will be satisfactory in the current year.

Risk and concern

Continuation of recessionary trends in the industry may result in holding on of expansion plans of industrial houses and may result in cancellation of orders. High attrition rate of the skilled man power in the engineering sector is another area of concern for the industry.

The company has no control over external factors which may adversely affect the company's operation. However, risk factors are continuously monitored by the management and necessary steps are taken to mitigate them.

Internal Control System and their adequacy

The Company maintained adequate internal control system and procedure in major area of operations, which is commensurate with it's size. Internal controls are reviewed periodically by the Audit Committee.

Financial Performance

Please refer to the Director's Report

Material Development in Human Resources / Industrial Relations

The company possessed good quality of human resources. Employees/industrial relations are harmonious. The Board wishes to place on record it's appreciation for the sustained efforts and devoted contribution made by all the employees for its success. Late Swadhin Kumar Chakrabarti, who was president of the company has expired on 13.08.2008, The Board wishes to place on record it's appreciation for contribution of late Swadhin Kumar Chakrabarti towards revival of the company and mourns his demise.

Cautionary Statement

Statement in this report on Management Discussion & Analysis describing the Company's projections and estimates may be forward looking and are based on certain assumptions and expectations of future events. Actual results may differ from projections due to demand-supply condition, prices of finished goods and raw material, changes in Government regulations, tax structure and other factors.

The Company assumes no responsibility in respect of forward-looking statements which may undergo change on the basis of subsequent development or events.

AUDITORS' REPORT

To,
THE MEMBERS OF
STERLING STRIPS LIMITED

1. We have audited the attached Balance Sheet of **STERLING STRIPS LIMITED**, as at 31st March, 2009, and the Profit and Loss Account and also the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of books and records as we considered appropriate and in terms of explanations given to us we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. On the basis of representation received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Directors under Section 274(1)(g) of Companies Act, 1956.;
5.
 - i. *The job card maintained by the Company for manufacturing work carried out do not provide the full details of materials received, consumed and direct overheads incurred on the respective jobs.*
 - ii. *Total debts shown by the Company at Rs.343.80 lacs consists of debts outstanding for more than 3 years at Rs. 251.50 lacs which in our opinion is bad & doubtful of recovery. Debts which are outstanding within 3 years are also substantially stagnant irrecoverable & unconfirmed. No provisions is made by the Company in this regard.*
 - iii. *Payments received, made and adjusted in the parties accounts consisting debtors, creditors, loans advances and deposits are generally not supported with the corresponding receipts of such payments made or received to or from the respective party and authenticity of the same couldn't be verified for want of appropriate evidence..*
 - iv. *Company is subject to interest liability on unpaid statutory liabilities and on other dues and the same has neither been paid nor provided or quantified.*
 - v. *Loans & Advances to and from suppliers, others, sundry debtors, sundry creditors for goods & expenses are unconfirmed and in our opinion substantially unrealizable / payable.*
 - vi. *Neither provision have been made towards unexpired period of guarantee & warranty extended to the customers or for uncompleted jobs for orders executed during the year, nor the cost required to be incurred in this regard have been ascertained.*
 - vii. *The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year end together with interest paid / payable under this Act have not been given.*
 - viii. *We are unable to quantify the effect of above facts in sub para (i) to (vii) on the profit for the year ended or on the state of affairs of the Company as at 31st March, 2009, for want of relevant information.*

Subject to what is stated above:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- c) The Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.;
- e) In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to our observations above and else where in this report and annexure to it, the accounts, read together with notes thereon, give the information required by the Companies Act, 1956 in the manner, so required and give a true and fair view :
 - i. in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2009,
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended that date, and
 - iii. in the case of the Cash flow statement, of the cash flow for the year ended on that date.

FOR D.C. BOTHRA & CO.,
CHARTERED ACCOUNTANTS

(PAWAN BOTHRA M. NO. 31215)
PARTNER

PLACE : MUMBAI
DATE : 10.06.2009

ANNEXURE TO THE AUDITOR'S REPORT

OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

- 1 a The Company has maintained records showing particulars including quantitative details and situation of fixed assets which is required to be updated.
- b Management has informed that they verified fixed assets and no material discrepancy was noticed by them, which requires any adjustment in accounts.
- c Substantial part of fixed assets have not been disposed off during the year, therefore there is no effect of this on concept of going concern.
- 2 a As informed to us, the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals.
- b On the basis of information and explanations furnished to us, in our opinion the procedures of physical verification of stocks followed by the management, wherever it is carried out, are reasonable in relation to the size of the Company and the nature of its business, however, the same is required to be further strengthened in particular for valuation purpose.
- c As informed to us, no major discrepancies have been noticed by the management on their physical verification of stock as compared to the book records and the same is properly accounted.
- 3 a The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- b The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- 4 The purchase of stores, raw material including components, plant and machinery, equipment and other assets are being personally supervised by the management, therefore much documents for subsequent verification are not available.
- 5 As have been informed to us Company has maintained the register in pursuance of section 301 of the Companies Act, 1956, however during the year there are no such transactions.
- 6 The Company has not accepted any deposits during the year from the public under Section 58-A or 58AA of the Companies Act, 1956.
- 7 The Company was not having any formal internal audit system during the year under audit.
- 8 Maintenance of cost records for the manufacturing activities of the Company has not been prescribed by the Central Government under Section 209 (1) (d) Companies Act, 1956.
- 9 a Unpaid undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax etc. the details of such arrears excluding interest payable thereon, which is not ascertainable, as at the last day of the financial year for a period of more than six months are as under.

Year	Lease Tax Payable	CST	BST	VAT	SERVICE TAX	PF PAYABLE	INCOME TAX
2007 - 08	-	1,28,175	-	-	-	-	-
2006 - 07	-	-	-	2,70,911	37,200	-	-
2005 - 06	-	1,37,468	-	26,064	-	-	-
2004 - 05	-	5,96,593	-	-	-	-	-
2003 - 04	-	5,827	-	-	-	21,009	-
2002 - 03	-	-	-	-	-	35,622	-
2001 - 02	-	-	-	-	-	16,095	-
2000 - 01	-	-	-	-	-	41,230	-
1999 - 00	-	-	-	-	-	59,153	-
1998 - 99	19,812	87,431	6,666	-	-	19,032	7,79,715
1997 - 98	39624	-	-	-	-	-	-
TOTAL	59,436	9,55,494	6,666	2,96,975	37,200	1,92,141	7,79,715

The above amount of arrears do not include the amount due for payment of sales tax, under deferral scheme where the total outstanding amount of Rs. 2,44,46,488/- have been shown as loan against Sales Tax Collection and TDS Payable for A. Y. 96-97 Rs. 1,72,111/- and A. Y. 97-98 Rs. 99,196/-.

- b. Following dues are disputed by the Company and the dispute are pending as under:-

SL No.	Nature of Dispute	Amount Rs.	Period to which amount relate	Forum where dispute pending
1	BST	2,58,423/-	1994 - 95	Maharashtra Sales Tax Tribunal
2	CST	3,13,811/-	1994 - 95	Maharashtra Sales Tax Tribunal
3	BST	12,78,212/-	1995 - 96	Deputy Commissioner. Sales Tax (Appeal)
4	CST	3,99,738/-	1995 - 96	Deputy Commissioner. Sales Tax (Appeal)
5	BST	24,93,119/-	1996 - 97	Deputy Commissioner. Sales Tax (Appeal)
6	CST	1,94,375/-	1996 - 97	Deputy Commissioner. Sales Tax (Appeal)
7	BST	10,10,488/-	1997 - 98	Deputy Commissioner. Sales Tax (Appeal)
8	CST	13,43,443/-	1997 - 98	Deputy Commissioner. Sales Tax (Appeal)
9	CST	10,40,000/-	1998 - 99	Deputy Commissioner. Sales Tax (Appeal)
10	BST	5,18,235/-	1998 - 99	Deputy Commissioner. Sales Tax (Appeal)
11	BST	25,456/-	1999 - 00	Deputy Commissioner. Sales Tax (Appeal)
12	CST	2,94,689/-	1999 - 00	Deputy Commissioner. Sales Tax (Appeal)
13	CST	2,34,529/-	2000 - 01	Deputy Commissioner. Sales Tax (Appeal)
14	BST	1,59,096/-	2001 - 02	Deputy Commissioner. Sales Tax (Appeal)
15	CST	1,77,712/-	2001 - 02	Deputy Commissioner. Sales Tax (Appeal)
16	BST	74,168/-	2002 - 03	Deputy Commissioner. Sales Tax (Appeal)
17	CST	60,500/-	2002 - 03	Deputy Commissioner. Sales Tax (Appeal)

- 10 Regarding Sl no. 3 to 17 stay for recovery has been granted in view of decision in P.V. Textiles case read with section 33(4) of the BST Act, 1959 pending decision of the Bombay High Court. The accumulated losses at the end of the financial year is Rs.55,894,764/- (previous year Rs 61,805,324/-). The Company has not incurred any cash losses during the year and in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has arrived at a settlement of it's dues with Kotak Mahindra Bank and payment of the settlement amount has been made during the year as per OTS.
- 12 We are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15 In our opinion the Company has not given guarantees for loans taken by others from bank or financial institutions.
- 16 The Company has not raised any term loan during the year.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised during the year on short term basis have been used for long term investment. No long term funds have been raised during the year.
- 18 According to the information and explanations given to us, the Company has not made any preferential allotment of shares.
- 19 According to the information and explanations given to us, the Company has not issued any debentures.
- 20 The Company has not raised money by public issues during the year.
- 21 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 D.C.BOTHRA & CO.,
CHARTERED ACCOUNTANTS,

PLACE : MUMBAI
DATED : 10.06.2009

(PAWAN BOTHRA, M.No.31215)
PARTNER

STERLING STRIPS LIMITED
BALANCE SHEET AS ON 31ST MARCH 2009

	Schedule	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	'A'	40,801,500	40,801,500
Reserves & Surplus	'B'	12,455,173	12,455,173
		<u>53,256,673</u>	<u>53,256,673</u>
LOAN FUNDS			
Secured Loan	'C'	24,982,048	24,982,048
Unsecured loan	'D'	26,311,488	26,481,488
		<u>51,293,536</u>	<u>51,463,536</u>
		<u>104,550,209</u>	<u>104,720,209</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'E'	38,333,246	40,176,266
Less : Depreciation		23,519,284	24,534,506
Net Block		14,813,962	15,641,760
Add : Capital work in progress		2,269,723	2,267,363
Net Fixed Assets		<u>17,083,685</u>	<u>17,909,123</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		3,907,683	5,035,029
Sundry Debtors		34,380,195	28,603,695
Cash & Bank Balances		332,580	871,386
Loans & Advances		14,455,991	23,300,798
	'F'	<u>53,076,448</u>	<u>57,810,908</u>
Less : Current Liabilities		20,332,639	31,698,839
Provision		1,172,048	1,106,305
	'G'	<u>21,504,687</u>	<u>32,805,144</u>
Net Current Assets		<u>31,571,761</u>	<u>25,005,763</u>
PROFIT & LOSS ACCOUNT			
		(55,894,764)	(61,805,324)
		<u>104,550,209</u>	<u>104,720,209</u>
Notes Forming Part of the accounts	'N'		

AS PER OUR REPORT OF EVEN DATE
 FOR D. C. BOTHRA & CO.,
 CHARTERED ACCOUNTANTS,

FOR & ON BEHALF OF THE BOARD

(PAWAN BOTHRA M. NO. 31215)
 PARTNER

S. VENKATA SUBRAMANIAN
 MANAGING DIRECTOR

DEEPAK S. SHAH
 DIRECTOR

PLACE : MUMBAI
 DATED : 10.06.2009

STERLING STRIPS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

	Schedule	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
INCOME			
Sales ,Work Bills & Services		62,425,019	91,803,539
Less : Central Excise		<u>4,110,867</u>	<u>9,690,620</u>
		58,314,152	82,112,919
Other Income	'H'	<u>56,000</u>	<u>2,452,254</u>
		<u>58,370,152</u>	<u>84,565,173</u>
EXPENDITURE			
Raw material Consumed & Purchases	'I'	36,216,023	59,019,181
Manufacturing Expenses	'J'	5,047,063	5,691,168
Employees Remuneration & Benefits	'K'	6,904,476	5,980,592
Other Expenses	'L'	2,488,256	2,714,917
Interest & Finance Charges	'M'	50,900	56,478
Depreciation		<u>1,687,131</u>	<u>1,788,453</u>
		<u>52,393,849</u>	<u>75,250,788</u>
PROFIT/(LOSS) BEFORE TAX		5,976,303	9,314,385
PROVISION FOR TAX			
Frieng benefit Tax		65,743	57,140
Short Provision of Earlier Years		-	445,636
PROFIT/(LOSS) AFTER TAX		5,910,560	8,811,608
Add : Balance brought forward		(61,805,324)	(70,616,932)
BALANCE CARRIED FORWARD		<u>(55,894,764)</u>	<u>(61,805,324)</u>
Notes Forming Part of the Accounts	'N'		

AS PER OUR REPORT OF EVEN DATE
FOR D. C. BOTHRA & CO.,
CHARTERED ACCOUNTANTS,

FOR & ON BEHALF OF THE BOARD

(PAWAN BOTHRA M. NO. 31215)
PARTNER

S. VENKATA SUBRAMANIAN
MANAGING DIRECTOR

DEEPAK S. SHAH
DIRECTOR

PLACE : MUMBAI
DATED : 10.06.2009

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2009

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
A. SHARE CAPITAL		
AUTHORISED		
'5000000 Equity Shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED SUBSCRIBED AND PAID UP		
'4096000 Equity Shares of Rs. 10/- each fully paid	40,960,000	40,960,000
Less : Allotment in Arrears	<u>158,500</u>	<u>158,500</u>
	<u>40,801,500</u>	<u>40,801,500</u>
B.RESERVES & SURPLUS		
CASH SUBSIDY RESERVE		
(Special Incentives from State Govt.)	5,253,100	5,253,100
CAPITAL RESERVE	7,202,073	7,202,073
	<u>12,455,173</u>	<u>12,455,173</u>
C. SECURED LOANS		
KOTAK MAHINDRA BANK		
(See Notes below)		
Cash Credit Account	24,982,048	24,982,048
	<u>24,982,048</u>	<u>24,982,048</u>

NOTE :

1. The State Bank of Travancore has assigned the outstanding credit facilities given to the Company to Kotak Mahindra Bank together with all securities.
2. The above outstanding cash credit facilities was secured by charge of hypothecation of raw material, work in progress & book debts and were also collaterally secured by mortgage of immovable properties of the Company and by personal guarantee of managing director and two ex-directors. Company has settled the entire dues at RS. 150 lakhs, i.e, by payment of Rs. 110 lakhs which has already been paid and for balance Rs. 40 lakhs by allotment of company's shares at par or by transfer or promoters holding of equivalent amount. Promoter has already pledged Company's share having face value of Rs. 40 lakhs.

D. UNSECURED LOANS

Loan Against Sales Tax Collection	24,446,488	24,446,488
(See Note No. 12 in Notes to the Accounts)		
Other Loans	<u>1,86,5000</u>	<u>2,035,000</u>
	<u>26,311,488</u>	<u>26,481,488</u>

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009

"E" FIXED ASSETS

(Amount in Rs.)

PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS AT 01.04.08	ADDITION	DELETION	AS AT 31.03.09	UP TO 01.04.08	FOR THE YEAR ENDED 31.03.09	WRITTEN BACK / TRANSFER	AS AT 31.03.09	AS AT 31.03.09	AS AT 31.03.08
Leasehold Land	1.052%	318,586	-	-	318,586	63,835	3,352	-	67,187	251,399	254,751
Factory Building	3.34%	6,326,723	-	-	6,326,723	3,375,980	211,313	-	3,587,293	2,739,430	2,950,743
Office Premises	1.63%	1,575,102	-	-	1,575,102	302,715	25,674	-	328,389	1,246,713	1,272,387
Plant & Machinery	4.75%	26,484,258	782,277	-	27,266,535	16,090,124	1,292,106	-	17,382,230	9,884,305	10,394,134
Electrical Fittings	4.75%	787,793	-	-	787,793	622,726	37,420	-	660,146	127,647	165,067
Office Equipments	4.75%	815,932	-	-	815,932	538,012	38,757	-	576,769	239,163	277,920
E.D.P Equipments	16.21%	1,590,478	77,056	1,068,927	598,607	1,402,547	31,919	1,068,927	365,539	233,068	187,931
Furnitures	6.33%	567,093	-	-	567,093	490,393	35,897	-	526,290	40,803	76,700
Air Conditioner	13.91%	76,875	-	-	76,875	14,748	10,693	-	25,441	51,434	62,127
Vehicles	9.5 %	1,633,426	-	1,633,426	0	1,633,426	0	1,633,426	0	0	0
TOTAL		40,176,266	859,333	2,702,353	38,333,246	24,534,506	1687,131	2702,353	23,519,284	14,813,962	15,641,760
Previous Year		45,136,723	13,617,93	6,322,250	40,176,266	26,597,109	1,788,453	3,851,056	24,534,506	15,641,760	18,539,614
Capital Work- in Progress		2,267,363	2,360	-	2,269,723	-	-	-	-	2,269,723	-
Previous Year		1,672,413	594,950	-	2,267,363	-	-	-	-	2,267,363	-

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
F. CURRENT ASSETS, LOANS & ADVANCES		
INVENTORIES (As taken, valued & certified by the Managing Director)		
Material, Stores & Components (at cost or net realisable value whichever is lower)	422,401	2,254,944
Work - in - Progress (at cost)	3,485,282	2,780,085
	<u>3,907,683</u>	<u>5,035,029</u>
SUNDRY DEBTORS (Unsecured & considered goods)		
Outstanding for a period exceeding six months	25,149,723	24,416,617
Others	<u>9,230,472</u>	<u>4,187,078</u>
	<u>34,380,195</u>	<u>28,603,695</u>
CASH & BANK BALANCES		
Cash on hand	211,404	44,288
With Scheduled Banks in Current Accounts	<u>121,176</u>	<u>827,098</u>
	<u>332,580</u>	<u>871,386</u>
LOANS & ADVANCES (Unsecured & considered good)		
Advances recoverable in cash or kind	12,826,473	20,994,771
Deposits	140,140	133,510
Balance with Revenue Department	<u>1,489,378</u>	<u>2,172,518</u>
	<u>14,455,990</u>	<u>23,300,798</u>
	<u>53,076,448</u>	<u>57,810,908</u>
G. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors for Goods	8,361,476	11,836,274
Sundry Creditors for Expenses	4,512,638	3,313,549
Advance From Customers	<u>7,458,524</u>	<u>16,549,017</u>
	<u>20,332,639</u>	<u>31,698,839</u>
PROVISIONS		
For Taxation	9,20,000	9,20,000
For Fringe Benefit Tax	<u>252,048</u>	<u>186,305</u>
	<u>1,172,048</u>	<u>1,106,305</u>
	<u>21,504,687</u>	<u>32,805,144</u>

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
H. OTHER INCOME		
Interest	-	83,904
Sundry Balance Written Off	-	48,451
Extra Ordinary Item	-	2,319,899
Misc. Income	<u>56,000</u>	<u>-</u>
	<u>56,000</u>	<u>2,452,254</u>
I. RAW MATERIALS CONSUMED		
Stock at commencement		
Work in Progress	2,780,085	7,688,729
Materials, Stores & Spares	2,254,944	7,303,647
Material , Stores & Spares Purchases	<u>35,088,677</u>	<u>49,061,834</u>
	<u>40,123,706</u>	<u>64,054,210</u>
Less :Stock at close		
Work in Progress	3,485,282	2,780,085
Materials, Stores & Spares	<u>422,401</u>	<u>2,254,944</u>
	<u>3,907,683</u>	<u>5,035,029</u>
	<u>36,261,023</u>	<u>59,019,181</u>
J. MANUFACTURING EXPENSES		
Designs, Drawing & Site Fabrication	293,029	307,111
Inspection & Testing Charges	345,057	254,721
Repairs & Maintenance	192,130	265,569
Transport Charges	178,177	462,579
Power, Fuel & Water Charges	618,859	807,469
Labour Charges	<u>3,419,811</u>	<u>3,593,720</u>
	<u>5,047,063</u>	<u>5,691,168</u>
K. EMPLOYEE'S REMUNERATION & BENEFITS		
Salaries, Wages & Bonus	5,151,899	4,498,386
Employer's Contribution to Prov. Fund	35,114	24,611
Staff Welfare Expenses	97,463	77,595
Directors Remuneration	<u>1,620,000</u>	<u>1,380,000</u>
	<u>6,904,476</u>	<u>5,980,592</u>
L. OTHER EXPENSES		
Travelling & Conveyance	1,139,893	840,644
Postage & Telephone Expenses	160,178	194,177
Legal & Professional charges	97,809	568,241
Printing & Stationary	137,270	109,481
Rates & Taxes	158,723	423,641
Auditors Remuneration	95,000	95,000
Office Maintenance & Electricity	180,509	144,233
General Expenses	48,518	71,485
Advertisement & Sales promotion	38,906	23,570
Bad Debts	385,290	-
Sundry Balance Written off	7,911	-
Discount	38,250	93,533
Loss on sale of Assets	-	150,912
	<u>2,488,256</u>	<u>2,714,916</u>
M. INTEREST & FINANCE CHARGES		
Bank Charges	41,834	42,097
Interest others	<u>9,066</u>	<u>14,381</u>
	<u>50,900</u>	<u>56,478</u>

STERLING STRIPS LIMITED

SCHEDULE 'N': ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES,

1 Basis of preparing the financial statement :

The financial statement are prepared under the historical cost convention, on accrual basis, in accordance with applicable mandatory accounting standard issued by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956.

2 Revenue Recognition :

In respect of manufactured goods, bought – out materials and other supplies revenue is recognized on dispatch of the material from the Company. However, in case of labour charges, which is forming part of sales, recognized on completion of job. In case of divisible large contracts the revenue is recognized on completion of each relevant part of the contract. Sales includes all collection except Sales Tax.

3. Depreciation :

Depreciation is charged on historical cost of assets at rates applicable under schedule XIV of the Companies Act, 1956, on Straight Line Method. The premium on lease hold land is being amortized pro rata over the period of lease.

4 Inventory :

Raw materials, stores, components and other consumables are valued at cost or net realisable value whichever is lower. The work-in-progress is valued at cost of material and overheads incurred on estimate. Inventories have been valued excluding excise paid on purchases, wherever set-off is allowed.

5. Excise Duty is accounted at the stage of removal of goods from manufacturing unit. CENVAT benefits have been accounted to the extent the same are available.

6. Retirement Benefits:

The Company has not specifically laid down any retirement benefit scheme except Provident Fund contribution, which is accounted on accrual basis. The gratuity liability is charged to the revenue account on payment basis.

7. Taxation :

Provision for Tax, if any, is made as per the provision of the Income-tax Act 1961.

8. Events occurred after the date of Balance Sheet but affecting the accounts materially have been taken into consideration in above accounts

OTHER NOTES

9. The Company has settled its secured loan outstanding with State Bank Indore by OTS and has taken full discharge certificate by paying OTS amount. On settlement remission waiver of loan liability at Rs. 72,02,073/- have been recognized as Capital Reserve. The Secured Loan outstanding of State Bank of Travancore, taken over by Kotak Mahindra Bank, has also been settled for payment of Rs. 110 lacs and for fresh issue and allotment of 4 lac equity shares each of Rs. 10/-. Pending to issue of shares promoters have pledged their 4 lacs equity shares and paid off the agreed amount of Rs. 110 lacs. Company is in negotiation with Kotak Mahindra Bank to release the pledged equity shares of promoters (against further cash payment. Remission in loan liability shall be recognized as Capital Reserve on getting full discharge certificate of liability from Kotak Mahindra Bank).
10. The Company had entered into settlement agreement in respect of payment of their dues of Maharashtra Apex Corporation Ltd by execution of a MOU dated 24th March, 2008 for payment of Rs. 21.24 lakhs payable within 24 months beginning from March 2008 on a flexible monthly installment and a total amount of Rs. 2.94 lakhs have been paid up to 31.03.2009.

11.a) Department of Sales Tax has accepted deferral amount in first scheme at Rs 98,47,800. However in second scheme the deferral has been restricted to 60.33% on prorata basis. Company's contention of full eligibility which is in commensurate with ratio of judgment given by Maharashtra Sales Tax Tribunal in the case of P.V. Textiles S.A.No. 48/2000 dt. 17/03/2000, is pending for adjudication in appeals where company is hopeful of getting necessary orders. The loan deferral availment has already become due for payment from 01/04/2005 in installments, but not paid so far. The company has written to the sales- tax Authorities to review the installments and it is reported that Sales Tax Authorities proposes to approach BIFR to incorporate their dues as part of rehabilitation package.

b) Company has obtained certificate from Sales Tax Consultant to the effect that amount of Sales Tax collected which has been transferred to loan account has been, properly determined in accordance with the above mentioned schemes.

12. CONTINGENT LIABILITIES :

a) In the event of non-receipt of pending declaration forms from customers the Company will be liable to return the concession accounted, amount not ascertained including the interest and penalties thereon under the Sales Tax Law.

b) The Sales Tax Authorities has completed the assessment up to the financial year 2003-2004. The Company holds two entitlement certificates for deferral of sales tax dues, one for the period 1.5.1990 to 30.04.1999 for an amount of Rs. 98,47,800/- on erection of main project and the other dated 20.12.1995 for an amount of Rs. 1,49,73,700/- on expansion project. For the purpose of allowing deferral under second entitlement certificate in the assessment of the Company the sales tax authorities have calculated the deferral amount at 60.33% of the sales tax payable considering prorata investment in expansion project and disallowed deferral of 30.67% of the sales tax payable based on prorata amount of investment in main project where entitlement limit was already exhausted, however such disallowed amount together with interest thereon has been stayed as per provision of Sec. 33(4)(C) of the BST Act, 1959. The Company has pleaded that the ratio of P.V. Textile SA No. 48/2000 dated 17.03.2000 be applied and the benefit of deferment may be extended to the entire sales. However the sales tax authorities have not accepted this contention of the Company and matter is pending in appeal for adjudication aforesaid non deferral portion works out to Rs. 98,75,994/

13. In the opinion of the Board the current assets, loans and advances, balances of which are subject to confirmation by respective parties and are outstanding for long time, if realized in the ordinary course of business have value on realization at least to the amount at which they are stated in the Balance Sheet except debtors of Rs. 195.46 lacs considered doubtful and not provided for. The provision for all known liabilities subject to confirmation by respective parties are adequate and not in excess of amount reasonably necessary.

14. Payment received, made and adjusted in the parties accounts consisting debtors, creditors, loans, advances and deposits are generally by way of account payee cheques. Cash payment made by the Company are by and large to local labor employed at remote locations and wherever supporting bills/invoices are not available proper documentation has been maintained by the company.

15. The Company has no mechanism of getting as to whether any of its suppliers constitute Small Scale Industrial undertakings and therefore, the amount due to such supplier has not been identified. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year and together with interest paid / payable under this Act have not been given. Now the system is evolved to evaluate every outstanding payment on that count.

16. The total net worth of the Company has eroded. The Company is having huge unabsorbed depreciation and carry forward claim of losses under the Income Tax Act, 1961. In view of pending reference made by the company to BIFR on the basis of its Audited Balance Sheet as at 31.03.2002 which was registered as Case No. 295/2003, there is no virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized, therefore management has decided to make accounting of deferred tax asset when it will be reasonably sure that the Company will be able to absorb such deferred tax assets against future liabilities.

17. In view of difficult financial position & huge losses Company's case is pending with BIFR and pending to revival Scheme. Company has neither paid nor provided interest liability on unpaid statutory dues and liability of interest thereon has not also been ascertained as the Company is hopeful of getting it waived in pending BIFR matters..

18. Previous years figures have been regrouped and rearranged wherever considered necessary.

19. ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPHS 3, 4, 4B, 4C & 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 TO THE EXTENT APPLICABLE :

- A 1) During the year the Company has provided Rs. 16,20,000/- (Pr. Yr. Rs. 13,80,000/-) towards remuneration to Directors

Mr. S. Venkata Submanian	Managing Director	8,40,000/-
Mr. Deepak S. Shah	Director	7,80,000/-

2) Remuneration provided for Auditors :- (Rs.)

Particular	2008 - 2009	2007 - 2008
Statutory Audit Fees	50,000	50,000
Tax Audit Fees	20,000	20,000
VAT Audit Fees	25,000	25,000
Tax Matters	-	-
Service tax	9,785	11,742
Total	1,04,785	1,06,742

B. LICENCED AND INSTALLED CAPACITY

CLASS OF GOODS	UNIT QTY	LICENCED CAPACITY PER ANNUM	INSTALLED CAPACITY PER ANNUM
Industrial Boilers	Nos.	75 (75)	75 (75)
Pressure Vessels	Nos.	12 (12)	12 (12)
L.P.G. Bullets	Nos.	48 (48)	48 (48)
Absorption Refrigeration System	Nos.	15 (15)	15 (15)

(Figure in the bracket pertains to previous year.)

C. PRODUCTION AND TURNOVER (As certified by the Managing Director and relied upon by Auditors)

CLASS OF GOODS	UNIT QTY.	PRODUCTION QTY.	PRODUCTION QTY.	TURNOVER AMOUNT IN Rs.
Industrial Boilers.	NOS	3 (-)	3 (-)	2,04,56,890 (-)
M.S. Pipe	M.T	252.452 (327.618)	252.452 (327.618)	1,49,90,142 (1,56,31,496)
Other Manufactured Products	N.A	N.A	N.A	26,37,175 (5,29,03,366)
Resale Of goods, accessories & Spares	N.A	N.A (N.A)	N.A (N.A)	1,35,66,857 (57,04,177)
Job work	N.A	N.A (N.A)	N.A (N.A)	1,07,73,955 (1,75,64,500)
(Figure in the bracket pertains to previous year)				6,24,25,019 (9,18,03,539)

D. STOCKS, PURCHASES AND CONSUMPTION (As certified by the Managing Director and relied upon by the Auditors)

PARTICULARS	STEEL, ACCESSORIES & SPARES AMOUNT IN RS
Opening stock	50,35,029 (1,49,92,376)
Purchases	3,50,88,678 (4,90,61,834)
Closing Stock	39,07,683 (50,35,029)
Stock W/o	----
Consumption	3,62,16,023 (5,90,19,181)

(Figures in bracket pertains to previous year)

E.DETAILS OF IMPORTED AND INDIGENOUS CONSUMPTION OF RAW MATERIALS, STORES, SPARES AND COMPONENTS.

	For the year ended on 31st March 2009		For the year ended on 31st March, 2008	
	Rupees	% of total consumption	Rupees	% of total consumption
Imported	Nil	Nil	Nil	Nil
Indigenous	3,62,16,023	100.00%	5,90,19,181	100.00%
Total	3,62,16,023	100.00%	5,90,19,181	100.00%

F. Information in respect of foreign exchange inflow & outflow.-

Earning in Foreign Currency	Current Year	Previous Year
F.O.B	----	---

SCHEDULE 'N': ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**20. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS :**

Registration No.	:	11-34343	State Code	11
Balance sheet Date	:	31.03.2009		

II. CAPITAL RAISED DETAILS :

Public Issue	:	Nil	Right Issue :	Nil
Bonus issue	:	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)

Total Liabilities	:	1045.50
-------------------	---	---------

Sources of Funds :

Paid up capital	:	408.02	Reserves & Surplus :	124.55
Secured Loans	:	249.82	Unsecured Loans :	263.11

Total Assets	:	1045.50
--------------	---	---------

Application of Funds :

Net Fixed Assets	:	170.84	Investment	:	0.00
Net Current Assets	:	315.72	Misc. Expenditure	:	0.00
Accumulated Losses:		558.95			

IV. PERFORMANCE OF COMPANY (Rs. In Lacs)

Turnover & other Income	:	583.70	Total Expenditure	:	523.94
Profit Before Tax	:	59.76	Profit After Tax	:	59.11
Earning Per Share :	:	1.44 (Rs)	Dividend rate	:	Nil

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS /SERVICES OF COMPANY :

Item Code No.	:	Product Description
(ITC Code)		

8402	Steam or Vapour generating Boilers
8403	Central Heating Boilers other than 8402
8404	Auxiliary plant for use with Boilers.

AS PER OUR REPORT OF EVEN DATE
For D.C.BOTHRA & CO.,
CHARTERED ACCOUNTANTS,

FOR & ON BEHALF OF THE BOARD

(PAWAN BOTHRA M. NO. 31215)
PARTNER

S. VENKATA SUBRAMANIAN
MANAGING DIRECTOR

DEEPAK S. SHAH
DIRECTOR

PLACE : MUMBAI
DATE : 10.06.2009

STERLING STRIPS LIMITED

STERLING STRIPS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	31.03.2009 (In Rs.)	31.03.2008 (In Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES ;		
Net Profit/Loss before Tax & Extra ordinary Items	5,976,303	9,314,385
Adjustments for		
Depreciation	1,687,131	1,78,453
Interest/Dividend & other Income	(56,000)	(2,452,254)
Profit on Sale of Assets	-	150,912
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,607,434	8,801,496
Adjustment for		
Trade & Other Receivables	3,068,308	(6,186,032)
Inventories	1,127,346	9,957,347
Trade payables	(11,300,457)	2,708,808
Provision For Tax	(65,743)	(502,777)
CASH GENERATED FROM OPERATION (A)	436,887	14,778,843
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(861,693)	213,257
Interest/Dividend & Other Income	56,000	83,904
Sale of Investment	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	(805,693)	297,161
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Long Term Borrowing	(170,000)	(14,442,165)
Share Allotment money received	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	(170,000)	(14,442,165)
NET INCREASES IN CASH AND CASH EQUIVALENTS (A+B+C)	(538,806)	633,838
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	871,386	237,547
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	332,580	871,386
NET INCREASE/DECREASE AS DISCLOSED ABOVE	(538,806)	633,839

Note : Figures in bracket represents Cash Outflow

FOR & ON BEHALF OF THE BOARD

PLACE : MUMBAI
DATE : 10.06.2009

S. VENKATA SUBRAMANIAN DEEPAK S. SHAH
MANAGING DIRECTOR DIRECTOR

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of STERLING STRIPS LIMITED for the year 31st March,2009. The statement has been prepared by the Company in accordance with the requirement of clause 32 of Listing agreement with the Stock Exchange & is based on & in agreement with the corresponding Profit & Loss Account & Balance Sheet of the Company covered by our report of even date to the members of the Company.

FOR D.C.BOTHRA & CO.,
CHARTERED ACCOUNTANTS,

PLACE : MUMBAI
DATE : 10.06.2009

(PAWAN BOTHRA)
PARTNER

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND
HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

(Joint Member may obtain additional attendance Slip (on request))

Members Name	Regd.Folio No.	No. Of shares Held
Proxy Name		

I hereby record my presence at the Twenty - Forth Annual General Meeting of the Company held at the Registered Office at At A-8/4, MIDC , Murbad - 421 401 at 4 p.m. on 26th September 2009.

SIGNATURE OF THE MEMBER / PROXY

PROXY FORM

Regd. Folio and Name of the Members / Joint Holders in BLOCK LETTERS to be furnished below

Regd FolioNo.	No. of Sahares held

I / We _____ of _____ being

a. Member (s) of STERLING STRIPS LIMITED hereby appoint _____ of _____ as

my / our proxy to vote for me / us ,on my behalf at the Twenty Forth - Annual Genaral Meeting of the Comapny to be at the Registered Office at A - 8/4, MIDC Murbad - 421 401 Dist. : Thane at 4..00 p.m. on 26th September 2009 and at any adjournment thereof.

As witness my / our hand (s) this _____ day of _____

Signature of the member _____

Affix
Revenue
Stamp

Note : The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

BOOK - POST

If Underived Please Return to
STERLING STRIPS LIMITED
2/10, MEGHAL INDUSTRIAL ESTATE,
DEVIDAYAL ROAD,
MULUND (W)
MUMBAI -400 080