

**27<sup>TH</sup> ANNUAL REPORT 2011 - 2012**



**STERLING STRIPS LIMITED**

## **BOARD OF DIRECTORS**

S VENKATA SUBRAMANIAN  
DEEPAKKUMAR SHAH  
MUKUND GOPAL GHARPURE  
RAJESH ULHAS DESHPANDE  
BAKUL SHAH  
DINESH KUMAR AGARWAL

EXECUTIVE CHAIRMAN  
MANAGING DIRECTOR  
INDEPENDENT NON EXECUTIVE DIRECTOR  
INDEPENDENT NON EXECUTIVE DIRECTOR  
INDEPENDENT NON EXECUTIVE DIRECTOR  
EXECUTIVE DIRECTOR

## **BANKERS**

ICICI BANK LTD.  
CANARA BANK  
HDFC BANK

## **AUDITORS**

M/S D. C. BOTHRA & CO.  
CHARTRED 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**

301/302, AVIOR, Nirmal Galaxy,  
L. B. S. Marg, Mulund - West,  
Mumbai-400 080.

## **SHARE TRANSFER AGENT & REGISTRAR**

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

## NOTICE TO THE MEMBERS

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of the company will be held at its Registered Office at A 8/4, M.I.D.C. Murbad, Dist: Thane 421 401, on Thursday the 27<sup>th</sup> September 2012 at 4.00 P.M. to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 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 Mr. S. Venkata Subramanian, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Rajesh Ulhas Despande, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and for this purpose to consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** M/s. D.C. Bothra & Co., Chartered Accountants, Mumbai having firm registration no. 112257W, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the company at a remuneration to be decided mutually between the Board of Directors and the Auditors including reimbursement of out of pocket expenses"

### SPECIAL BUSINESS:-

5. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:  
"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended up-to-date, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. S. Venkata Subramanian, as Whole-Time-Director of the Company for a period of three years w.e.f. 1<sup>st</sup> April, 2013 on the remuneration and on such terms and conditions, as approved by the remuneration committee, and set out in the explanatory statement annexed hereto, with the authority to the Board of Directors of the Company ('the Board') and the Remuneration Committee ('the Committee') to alter and vary the terms and conditions including remuneration of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. S. Venkata Subramanian subject to the conformity with the provisions of the Companies Act 1956.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. S. Venkata Subramanian shall be governed by Schedule XIII of the Companies Act, 1956, or any modification(s) thereto.

RESOLVED FURTHER that the Board/Committee be and is hereby authorized to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:  
"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended up-to-date, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Deepakkumar Shah, as non retiring Managing Director of the Company for a period of three years w.e.f. 1<sup>st</sup> April, 2013 on the remuneration and on such terms and conditions, as approved by the remuneration committee, and set out in the explanatory statement annexed hereto, with the authority to the Board of Directors of the Company ('the Board') and the Remuneration Committee ('the Committee') to alter and vary the terms and conditions including remuneration of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. DEEPAKKumar Shah subject to the conformity with the provisions of the Companies Act 1956.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. DEEPAKKumar Shah shall be governed by Schedule XIII of the Companies Act, 1956, or any modification(s) thereto.

RESOLVED FURTHER that the Board/Committee be and is hereby authorized to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:  
"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended up-to-date, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh Kumar Agarwal, as Whole-Time-Director of the Company for a period of three years w.e.f. 1<sup>st</sup> April, 2013 on the remuneration and on such terms and conditions, as approved by the remuneration committee, and set out in the explanatory statement annexed hereto, with the authority to the Board of Directors of the Company ('the Board') and the Remuneration Committee ('the Committee') to alter and vary the terms and conditions including remuneration of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Dinesh Kumar Agarwal subject to the conformity with the provisions of the Companies Act 1956.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year, the remuneration payable to Mr. Dinesh Kumar Agarwal shall be governed by Schedule XIII of the Companies Act, 1956, or any modification(s) thereto.

RESOLVED FURTHER that the Board/Committee be and is hereby authorized to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

PLACE : MUMBAI  
DATE : 13<sup>th</sup> AUGUST, 2012

DEEPAKKUMAR SHAH  
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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (Act), relating to the Special Businesses to be transacted at the meeting is annexed hereto
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2012 to 27th September, 2012 both days inclusive.
4. Members holding equity shares in physical form are hereby requested to promptly notify the change of address, if any, to the company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd. quoting their folio number and Members holding equity shares in demat form shall have to intimate to their respective Depository Participants quoting their Client ID.
5. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the company
6. Members / Proxies should bring their attendance slip duly filled for attending the meeting.
7. Members are requested to bring the copy of Annual Report to the Annual General Meeting.
8. Details of the Directors retiring by rotation and seeking reappointment (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr S. Venkata Subramanian	Mr. Rajesh Ulhas Despande
Date of Birth	07-09-1956	12-07-1970
Date of Appointment	18/01/1989	30/06/2005
Qualification	BSC	B.Tech (Chemical Engg.) and MMS
Expertise in specific functional area and years	Innovative Energy Solutions & Management expertise – More than 25 years	Energy Conversation & Business Management – More than 20 years
List of Other Directorship Held	Nil	Energetic Consulting Private Limited Prithvi Technologies Private Limited
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	Nil	Member:-Shareholder/Investor Grievance & Audit Committee Chairman:-Remuneration Committee
Shareholding in the Company	464450	Nil

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Bigshare Services Private Limited (Registrar and Share Transfer Agents of the company) by sending a request letter duly signed by the first / sole shareholder.

**ANNEXURE TO THE NOTICE****Explanatory Statement as required under Section 173(2) of the Companies Act, 1956****Item No 5**

The Board of Directors at it's meeting held on 13<sup>th</sup> August, 2012 have re-appointed Mr. S. Venkata Subramanian, as Whole-Time-Director of the Company w.e.f. 1<sup>st</sup> April, 2013, for a period of three years. This re-appointment is subject to approval of shareholders at this meeting.

The principal terms & conditions of the agreement re-appointing Mr. S. Venkata Subramanian are as under:

1. Period of appointment : - three years
2. Remuneration ( Effective 1<sup>st</sup> April, 2013)
  - (a) Pay Scale : Rs. 1,20,000/- per month
  - (b) Perquisites:

**PART – A**

  - (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund if any, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
  - (ii) Gratuity not exceeding half month's salary for each completed year of service.

**PART – B**

Provision of the Car/s and driver/s for use on Company's business and telephone/s at residence including cell phone shall be valued as per Income Tax Rules 1962. The car used for private purpose shall be billed by the Company to the Whole-Time-Director.
3. The terms and conditions of the said appointment/re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendment made hereafter in this regard.
4. The agreement may be terminated by either party giving the other party three months' notice. However, the appointment may be terminated by less than three months' notice by mutual consent between the parties.
5. If any time the Whole-Time-Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-Time-Director.

The Whole-Time-Director shall be entitled to leave, on full pay allowance, at the rate of one month for every eleven months of service.

**Profit Link Incentive/Commission**

Such remuneration by way of profit linked incentive/commission, in addition to salary, perquisites and allowances calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Remuneration Committee and/or by the board of directors of the Company, subject to the overall ceiling stipulated in sections 198, 309 and schedule XIII of the companies act, 1956

**Minimum Remuneration**

In the absence of inadequacy of profits in any financial year Mr. S. Venkata Subramanian, Whole-Time-Director may be paid remuneration by way of salary, perquisites and other allowance not exceeding the limits specified in Schedule XIII to the Act.

This may be treated as an abstract under Section 302 of the Companies Act, 1956 of the terms of the agreement with Mr. S. Venkata Subramanian.

None of the Directors except Mr. S. Venkata Subramanian is concerned or interested in the said Resolution.

Your Directors recommend the resolution for your approval.

**Item No. 6**

The Board of Directors at its meeting held on 13<sup>th</sup> August, 2012 have re-appointed Mr. Deepakkumar Shah, as Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2013, for a period of three years. This re-appointment is subject to approval of shareholders at this meeting.

The principal terms & conditions of the agreement re-appointing Mr. Deepakkumar Shah are as under :

1. Period of appointment : - three years
2. Remuneration ( Effective 1<sup>st</sup> April, 2013)
  - (a) Pay scale : Rs. 1,10,000/- per month
  - (b) Perquisites:

**PART - A**

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund if any, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity not exceeding half month's salary for each completed year of service.

**PART - B**

Provision of the Car/s and driver/s for use on Company's business and telephone/s at residence including cell phone shall be valued as per Income Tax Rules 1962. The car used for private purpose shall be billed by the Company to the Managing Director.

3. The terms and conditions of the said appointment/re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendment made hereafter in this regard.
4. The agreement may be terminated by either party giving the other party three months' notice. However, the appointment may be terminated by less than three months' notice by mutual consent between the parties.
5. If any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

The Managing Director shall be entitled to leave, on full pay allowance, at the rate of one month for every eleven months of service.

**Profit Link Incentive/Commission**

Such remuneration by way of profit linked incentive/commission, in addition to salary, perquisites and allowances calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Remuneration Committee and/or by the board of directors of the Company, subject to the overall ceiling stipulated in sections 198, 309 and schedule XIII of the companies act, 1956.

**Minimum Remuneration**

In the absence of inadequacy of profits in any financial year Mr. Deepakkumar Shah, Managing Director may be paid remuneration by way of salary, perquisites and other allowance not exceeding the limits specified in Schedule XIII to the Act.

This may be treated as an abstract under Section 302 of the Companies Act, 1956 of the terms of the agreement with Mr. Deepakkumar Shah.

None of the Directors except Mr. Deepakkumar Shah is concerned or interested in the said Resolution.

Your Directors recommend the resolution for your approval.

**Item No. 7**

The Board of Directors at its meeting held on 13<sup>th</sup> August, 2012 have re-appointed Mr. Dinesh Kumar Agarwal, as Whole-Time-Director of the Company w.e.f. 1<sup>st</sup> April, 2013, for a period of three years. This re-appointment is subject to approval of shareholders at this meeting.

The principal terms & conditions of the agreement re-appointing Mr. Dinesh Kumar Agarwal are as under:

1. Period of appointment : - three years
2. Remuneration ( Effective 1<sup>st</sup> April, 2013)
  - (a) Pay Scale: Rs. 1,00,000/- per month.
  - (b) Perquisites:

**PART - A**

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund if any, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity not exceeding half month's salary for each completed year of service.

**PART - B**

Provision of the Car/s and driver/s for use on Company's business and telephone/s at residence including cell phone shall be valued as per Income Tax Rules 1962. The car used for private purpose shall be billed by the Company to the Whole-Time-Director.

3. The terms and conditions of the said appointment/re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendment made hereafter in this regard.
4. The agreement may be terminated by either party giving the other party three months' notice. However, the appointment may be terminated by less than three months' notice by mutual consent between the parties.
5. If any time the Whole-Time-Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-Time-Director.

The Whole-Time-Director shall be entitled to leave, on full pay allowance, at the rate of one month for every eleven months of service.

**Profit Link Incentive/Commission**

Such remuneration by way of profit linked incentive/commission, in addition to salary, perquisites and allowances calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Remuneration Committee and/or by the board of directors of the Company, subject to the overall ceiling stipulated in sections 198, 309 and schedule XIII of the companies act, 1956.

**Minimum Remuneration**

In the absence of inadequacy of profits in any financial year Mr. Dinesh Kumar Agarwal, Whole-Time-Director may be paid remuneration by way of salary, perquisites and other allowance not exceeding the limits specified in Schedule XIII to the Act.

This may be treated as an abstract under Section 302 of the Companies Act, 1956 of the terms of the agreement with Mr. Dinesh Kumar Agarwal.

None of the Directors except Mr. Dinesh Kumar Agarwal is concerned or interested in the said Resolution.

Your Directors recommend the resolution for your approval.

## DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report together with Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2012 and Auditors Report thereon.

### 1. FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	2011-12	2010-11
Sales & Other Income	1761.35	874.34
Profit/(Loss) Before Interest & Depreciation	97.77	(150.83)
Less: Interest & Finance Charges	4.39	0.75
Profit/(Loss) Before Depreciation	93.38	(151.58)
Less: Depreciation	18.22	17.58
Profit/ (Loss) Before Tax	75.16	(169.16)
Less : Prior Period Expenses	0.00	2.00
Less : Provision for Tax	0.00	0.00
Profit/ (Loss) After Tax	75.16	(171.16)
Add: Balance brought forward	(658.18)	(487.02)
Balance carried to Balance Sheet	(583.02)	(658.18)

### 2. DIVIDEND

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

### 3. OPERATION

The Company has recorded a turnover of Rs. 1761.35 Lacs including the other income against turnover in the previous year of Rs. 874.34 Lacs. Further the Company has made a profit of Rs 75.16 Lacs for the year ended 31<sup>st</sup> March 2012 as against a loss of Rs 171.16 Lacs during the previous year ended 31<sup>st</sup> March 2011. During the year, revival scheme has been sanctioned by Hon'ble BIFR and the same has been under implementation. As a part of the revival scheme, promoters of the Company have been allotted Rs 10 Lacs Equity shares of Rs 10 each on preferential allotment basis against the obligation of promoters' contribution of Rs 100 Lacs. By virtue of the promoters contribution net worth of the company has become positive. Hence, Hon'ble BIFR vides its order dated 13<sup>th</sup> June, 2012, discharge the company from the purview of (SICA).

### 4. BUSINESS PROSPECTS

There is a substantial growth in the turnover & profitability of the Company for the year ended 31<sup>st</sup> March, 2012 as against the year ended 31<sup>st</sup> March, 2011. The Company is banking on its expertise in the field of engineering and system integration to provide tailor made solution to clients on Engineering Procurement & Constructions (EPC) basis. Company has ventured in the area of providing total structural solution in the field of solar power. Looking at the thrust of Govt. of India in the solar power sector, Company is hopeful to maintain its turnover & profitability even in present depressed market condition.

### 5. 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.

### 6. DIRECTORS

Mr. S. Venkata Subramanian and Mr. Rajesh Ulhas Deshpande retire by rotation & being eligible offers themselves for re-appointment.

### 7. 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.

### 8. 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.

### 9. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement of the Stock Exchange, a separate section on Corporate Governance together with a certificate from the Company's auditor confirming compliance is set out in the annexure forming part of this report.

### 10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

- In the preparation of annual accounts for the year ended 31<sup>st</sup> March 2012, 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 31<sup>st</sup> March 2012.
- 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.

### 11. 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.

## **12. PARTICULARS OF EMPLOYEES**

None of the employees has been paid remuneration above the amount prescribed under the provisions Section 217 (2A) read with Companies (Particulars of Employees) rules, 1975.

## **13. APPRECIATION**

The Board extends grateful thanks for their continued support to the Central and various State Governments, the investors, the banking circles, financial institutions, employees, workers, executives and the shareholders.

FOR AND ON BEHALF OF THE BOARD

DEEPAKKUMAR SHAH  
MANAGING DIRECTOR

PLACE: MUMBAI

DATE : 13.08.2012

## **ANNEXURE TO DIRECTORS REPORT**

Additional information as required under the Companies (Disclosure of Particulars in the Report of the board of Directors) Rules, 1988.

### **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. 4, 60, 92,644/- (NIL)

D. Foreign Exchange Outgo : Rs. 1, 09, 97,309/- (60, 54,951/-)

### **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

DATE : 13.08.2012

PLACE : MUMBAI

DEEPAKKUMAR SHAH  
MANAGING DIRECTOR

## CORPORATE GOVERNANCE REPORT

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.

### 1. CORPORATE PHILOSOPHY:

The company's philosophy on corporate governance is to conduct its business in a manner, which is ethical and transparent with all the stakeholders in the Company, including lenders, creditors, employees and shareholders.

### 2. BOARD OF DIRECTORS :

During the financial year ended 31<sup>st</sup> March, 2012, five Board Meetings were held on the following dates: (1) 30<sup>th</sup> May 2011(2) 6<sup>th</sup> August 2011(3) 12<sup>th</sup> November 2011 (4) 30<sup>th</sup> December 2011(5) 13<sup>th</sup> February 2012.

The composition is as under:-

Name of the Directors	Category of Directors	Number of outside Directorship		Attendance		No. of Shares held in the Company As at 31.03.2012
		Directorship #		Board meeting	Last AGM	
		Public	Private			
Mr. S. Venkata Subramanian	Executive Chairman	-	-	5	Yes	464450
Mr. DEEPAKkumar Shah	Executive Managing Director	-	1	5	Yes	245050
Mr. Mukund Gopal Gharpure	Independent Non Executive	-	2	5	Yes	Nil
Mr. Bakul Zaverchand Shah	Independent Non Executive	-	-	5	Yes	Nil
Mr. Rajesh Ulhas Deshpande	Independent Non Executive	-	2	5	Yes	Nil
Mr. Dinesh Kumar Agarwal	Executive Whole-time Director	-	1	5	Yes	12500

# Excluding Directorships in Foreign Companies and Companies under Section 25 of the Companies Act, 1956

- No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 1956.
- Memberships of the Directors in various Committees are within the permissible limits of the Listing Agreement
- The members of the Board have been provided with the requisite information mentioned in the Listing agreement well before the Board Meetings.

Details of the Directors retiring by rotation and seeking reappointment (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. S. Venkata Subramanian	Mr. Rajesh Ulhas Deshpande
Date of Birth	07-09-1956	12-07-1970
Date of Appointment	18/01/1989	30/06/2005
Qualification	BSC	B.Tech (Chemical Engg.) and MMS
Expertise in specific functional area and years	Innovative Energy Solutions & Managment expertise – More than 25 years	Energy Conversation & Business Management – More than 20 years
List of Other Directorship Held	Nil	Energetic Consulting Private Limited Prithvi Technologies Private Limited
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	Nil	Member:- Shareholder/Investor Grievance and Audit Committee Chairman:-Remuneration Committee
Shareholding in the Company	464450	Nil

### 3. AUDIT COMMITTEE:

The Audit Committee of the company is constituted pursuant to the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. All the members of the audit committee are non-executive Directors. Mr. Dinesh Kumar Agarwal, Company Secretary acts as secretary to the committee.

(i) During the financial year ended 31<sup>st</sup> March, 2012, five Audit Committee Meetings were held on the following dates:

(1) 30<sup>th</sup> May 2011 (2) 6<sup>th</sup> August 2011 (3) 12<sup>th</sup> November 2011 (4) 30<sup>th</sup> December 2011 (5) 13<sup>th</sup> February 2012

The name and attendance of Audit Committee members are as under:

Name of the Audit Committee Members	No. of Meeting attended
Mr. Bakul Shah ( Chairman)	5
Mr. Rajesh Ulhas Deshpande	5
Mr. Mukand Gopal Gharpure	5

(ii) At the invitation of the Committee, Managing Director and other Financial Executives of the Company also attended the meetings to respond to queries raised at the Committee meetings.

(iii) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956.

### 4. REMUNERATION COMMITTEE:

The Remuneration Committee of the company is constituted pursuant to the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. All the members of the Committee are Non-Executive directors. The terms of reference of the Remuneration Committee is to recommend/review remuneration of the Whole-time Directors, Executive Directors, etc. based on their performance, practices followed by the companies of similar sizes in the industry and defined assessment criteria.

During the year two meeting of the Remuneration Committee were held on 30<sup>th</sup> May 2011 & 12<sup>th</sup> November 2011.



The name and attendance of Remuneration Committee members are as under:

Name of the Remuneration Committee Members	No. of Meeting attended
Mr. Rajesh Ulhas Deshpande ( Chairman)	2
Mr. Mukand Gopal Gharpure	2
Mr. Bakul Shah	2

The Executive directors are paid fixed remuneration as approved by the Board, Shareholders & Government Authorities as may be necessary. Their elements of the remuneration package comprises of salary and perquisites. No bonus or severance fee has been paid to them. The details of remuneration paid to Executive Directors during the financial year 2011-12 are:

Name of the Director	Remuneration
Mr. S. Venkata Subramanian	8,85,000/-
Mr. DEEPAKumar Shah	8,25,000/-
Mr. Dinesh Kumar Agarwal	7,05,000/-

No sitting fee has been paid to Executive & Non-Executive Directors of the Company. Apart from this, none of the Non-Executive Directors are holding any shares in the Company.

#### 5. SHARE HOLDER'S / INVERSTOR GRIEVANCE COMMITTEE

The Shareholder's / Investor's Grievance Committee comprises of Mr. Mukand Gopal Gharpure – Chairman, Mr. Rajesh Ulhas Deshpande and Mr. Bakul Shah as the members of the Committee. All the members of the Committee are non-executive directors. The Board has designated Mr. Dinesh Kumar Agarwal, Company Secretary as the Compliance Officer.

The committee looks into various issues relating to shareholder/ investors grievances relating, inter alia, to non-receipt of annual report, non-delivery of shares after transfer/delay in transfer of shares, non-receipt of interest on debentures, if any, etc.

Total Number of complaints received and redressed during the year	-	6
Complaint pending redressal as on 31.03.2012	-	NIL

#### 6. GENERAL MEETINGS:

(i) The details of the Annual General Meetings in last three years are as under:

AGM	Day	Date	Time	No. of Special Resolution passed	Venue
24th	Saturday	26th September 2009	4.00 P.M.	-	Registered Office of the Company: A- 8/4, MIDC, Murbad, Thane.
25th	Thursday	12th August 2010	4.00 P.M.	3	--do--
26th	Thursday	29th September 2011	4.00 P.M.	2	--do--

(ii) No resolution has so far been passed by postal ballot in the last 3 AGMs

#### 7. DISCLOSUER:

- 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 except that company has paid Rs.3,20,000/- as reinstatement penalty (revocation fee) to Mumbai Stock Exchange during 2009-10.

#### 8. MEANS OF COMMUNICATION:

The quarterly / Annual Financial results are forwarded to the Stock Exchanges where the company's shares are listed, in terms of the requirements of Clause 41 of the Listing Agreement and are published in the "Asian Age" & "Aapal Mahanagar" newspapers.

#### 9. GENERAL SHAREHOLDER INFORMATION

- Annual General meeting to be held (27<sup>th</sup>)  
Day, Date & Time : Thursday, 27<sup>th</sup> September, 2012 at 4.00 P.M.  
Venue : At A - 8/4, MIDC, Murbad, Thane.
- Financial Year : 2011-12.
- Book Closure : 24<sup>th</sup> September, 2012 to 27<sup>th</sup> September, 2012 (Both days inclusive).
- BSE Scrip Code : 513575

(e) Market price data for the financial year ended 2011-12 are as under:

MONTH	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume
April, 11	6.50	5.95	6.00	1200
May, 11	7.99	5.99	7.60	3900
June, 11	7.61	6.86	6.86	800
July, 11	7.21	6.20	6.83	1500
August, 11	7.15	6.47	6.47	1000
September, 11	6.70	6.06	6.68	2200
October, 11	7.16	6.50	6.60	1400
November, 11	6.28	4.90	4.90	4200
December, 11	5.39	5.14	5.39	300
January, 12	8.26	5.65	8.26	1500
February, 12	8.67	7.05	7.05	1400
March, 12	8.00	6.70	8.00	900

- (f) 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.  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)

(g) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2012

- a. Details of shareholding distribution of equity shares of face value of Rs 10/- each as on March 31<sup>st</sup>, 2012:

Nominal Value of Equity Shares	No. of Shareholders	% of Total Shareholders	Total holding in Rupees	%
1 to 500	4591	90.2319	8274000	16.2363
501 to 1000	254	4.9921	2198000	4.3132
1001 to 2000	85	1.6706	1264000	2.4804
2001 to 3000	75	1.4741	1893000	3.7147
3001 to 4000	11	0.2162	399000	0.7830
4001 to 5000	15	0.2948	733000	1.4384
5001 to 10000	15	0.2948	1138000	2.2331
10001 to 999999999	42	0.8255	35061000	68.8010
<b>Total</b>	<b>5088</b>	<b>100.00</b>	<b>50960000</b>	<b>100.0000</b>

- b. Shareholding Pattern as on March 31, 2012:

CATEGORY	NO. OF SHARES	PERCENTAGE OF SHAREHOLDING
Promoters Group	31,96,400	62.72
Banks, Financial Institution	7,900	0.15
Private Corporate Bodies	22,300	0.44
Indian Public	17,06,500	33.49
NRI	1,62,900	3.20

- (h) Dematerialisation of Share : CDSL & NSDL  
ISIN INE067E01013
- (i) Plant Location : A-8/4, MIDC INDUSTRIAL AREA, MURBAD,  
DIST. THANE, MAHARASHTRA 421 401
- (j) Address for Correspondence : 301 & 302, AVIOR, Nirmal Galaxy, L.B.S. Marg,  
Mulund (West), Mumbai 400 080 Tel. 2560 55 88  
Fax 2591 6496 E-mail: [sterlingstrips84@gmail.com](mailto:sterlingstrips84@gmail.com)

**DECLARATION**

The Board of 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, 2012.

**For & On Behalf of the Board**

DATE : 13.08.2012  
PLACE: MUMBAI

**DEEPAKKUMAR SHAH**  
**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 31<sup>st</sup> March 2012, 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 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 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 : 13.08.2012  
PLACE : MUMBAI

(SEEMA RAISONI)  
PARTNER  
Membership No. 10773

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This management discussion and analysis report has been prepared in compliance with the requirement of the listing agreement and covers the operations and financial performance of the Company for the year ended 31st March, 2012 and forms part of the Directors' Report.

### **1. Overall & Business Review**

The Indian Economy grew at the rate of about 6.9% in 2011-12, as against a rate of 8.5% in 2010-11. Although the GDP growth has fallen given the overall pressure of global uncertainties and high inflation, the growth is still reflection of the sound fundamentals of the Indian Economy. In context of the Company, though it has managed to earn profits in the year ended 31<sup>st</sup> March 2012 as against losses in the year ended 31<sup>st</sup> March 2011, but its growth has also been hit by the decelerating industrial growth.

### **2. Industry Structure & Development**

The capital & industrial goods sector of the Company has witnessed a year confronting many challenges including sluggish demand in the domestic as well as export markets, mainly due to global economic slowdown, lack of adequate demand due to high inflation, fierce competition and high interest costs. This led various existing manufacturing unit to incur losses and upcoming projects to postpone. Hence causing demand for industrial & capital goods to fall. The Indian capital goods industry is thus passing through an adverse phase although the future would more optimistic if the external factors, sees a phase of correction. Government attention in the field of renewable energy makes the Company hopeful to maintain its turnover and profitability in the forth coming period.

### **3. Opportunities & Threats**

The company's expertise to provide the industry tailor-made solution as per the specific need of the industry on Engineering Procurement & Construction (EPC) basis is expected to bring new areas of opportunity. Besides, company is also banking its expertise in providing total structural solution in the field of solar power. Looking towards the Government efforts towards promoting renewable energy, the Company sees future business opportunity in this field.

Increase in raw material prices such as steel and having/retaining appropriate talent is an area of concern and may have adverse impact on the growth. Besides, the negative external factors are a matter of concern for the company.

### **4. Product wise performance**

During the year Company executed projects on EPC basis in thermal power sector. Company has also executed project in the field of solar power. Fabrication of heavy industrial equipment on job work basis is another area of revenue generations for the Company.

### **5. Outlook**

The economic outlook is expected to remain modest in view of all recent trends. Interest rates were at a peak during the year 2011-12 on account of RBI's initiative to control inflation. The softening of the high interest regime should improve the prospects of the economy and growth. Though in short-term, prevailing negative sentiments may have bearing on growth figures however long term outlook seems very much positive. Overall, with judicious utilization of it's experienced manpower, it is expected to generate a number of enquiries for the company in respective areas of operations. Considering the number of enquires and anticipated orders it appears that the performance of the company will witness satisfactory growth in the current year.

### **6. Risk and concern**

Looming European crisis has been creating hindrance in the process of economic recovery. Prevailing negative sentiments in domestic market due to high Inflation rate, higher interest rate, rising oil prices, rupee depreciation are creating doubt in the minds of captain of the industry and forcing them to hold on their investment plan, which may affect growth adversely. 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.

### **7. Internal Control System and their adequacy**

The Company has proper and adequate systems of internal control, to safeguard assets against loss from unauthorized use or disposition. This also ensures that all transactions are authorized, recorded and reported correctly. Regular internal audit and checks are carried out to ensure the robustness of the system. Effective and comprehensive reviews by the Management and Audit Committee of the Board further enhance the level and quality of internal controls within the organization.

### **8. Financial Performance**

Please refer to the Director's Report

### **9. Material Development In Human Resources / Industrial Relations**

The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counseling and appropriate empowerment.

### **10. 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 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, 2012. 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 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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. *Payments received, made and adjusted in the parties accounts consisting debtors, creditors, loans, advances, deposits are generally not supported with the corresponding receipts of such payments received or made to or from the respective party and authenticity of the same couldn't be verified for want of appropriate evidence.*
  - iii. *Company is subject to interest liability on unpaid statutory dues and on other dues same has neither been paid nor provided or quantified.*
  - iv. *Loans & Advances to and from suppliers, others, sundry debtors, sundry creditors for goods & expenses are unconfirmed and in our opinion substantially unrealizable / payable.*
  - v. *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.*
  - vi. *We are unable to quantify the effect of above facts in sub para (i) to (v) for want of relevant information and the effect thereof on the profit for the year ended or on the state of affairs of the company as at 31<sup>st</sup> March, 2012.*

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, 2012 and,
  - ii. in the case of the Profit and Loss Account, of the profit for the year ended that date.
  - 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

(Seema Raisoni M. NO. 107730)  
PARTNER

PLACE: MUMBAI  
DATE: 28.05.2012

# **ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE REFERRED IN PARA NO.3**

On the basis of information & explanation given to us, we report that:-

- 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 have 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.
- 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.
- 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.
- 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. i) The Company has taken loans, secured or unsecured from companies, firms or other parties, free of interest, listed in the Register maintained under Section 301 of the Companies Act, 1956.

No. of Parties	Loan taken during the year	Maximum amount outstanding During the year
2	52,67,000/-	1,55,13,000/-

ii) The terms & conditions of such loan taken have not been laid down in writing, however, as informed to us, the same are not prejudicial to the interest of the company.

iii) The terms of repayments of principal have not been laid down in writing hence, we cannot comment on regularity or otherwise of the same.

4. There is adequate internal control system commensurate with the size of the company & the nature of its business, for the purchase of inventory and fixed assets and for sale of Goods & Services. However, as informed to us, the purchase of stores, raw material including components, plant and machinery, equipment and other assets are being personally supervised by the management, therefore much documentation 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, in contravention of rules made thereunder.

7. The Company has a formal internal audit system commensurate with the size and nature of its business.

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. Most of the undisputed statutory dues, Investor Education and Protection Fund, Income Tax, Sales Tax etc. have not been deposited during the year 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	Investor Education & Protection Fund	Income Tax	CST	BST	VAT	TDS Payable	Service Tax
2010-11								
2009-10								1,21,227
2008-09								
2007-08				1,28,175				
2006-07						2,70,911		
2005-06				1,37,468		26,064		
2004-05				6,29,523				
2003-04				5,827				
2002-03		Amount not ascertainable						
2001-02								
2000-01								
1999-00								
1998-99	19,812		7,79,715	87,431	6,666		99,196	
1997-98	39,624						1,72,111	
1996-97							2,71,302	
<b>TOTAL</b>	<b>59,436</b>		<b>7,79,715</b>	<b>9,88,424</b>	<b>6,666</b>	<b>2,96,975</b>	<b>2,71,302</b>	<b>1,21,227</b>

The above amount of Sales Tax arrears do not include the amount due for payment, quantum not ascertained, under deferral scheme where the total outstanding amount of Rs. 2,44,46,488/- have been shown as loan against Sales Tax Collection.

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)

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)(c) of the BST Act, 1959 pending decision of the Bombay High Court.

10. The accumulated losses at the end of the financial year is Rs. 5,83,01,523/- (previous year Rs 6,58,17,887) The company has not incurred any cash losses during the year and in the immediately preceding financial year.

11. There are no dues to any financial institutions.

12. 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. 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.

18. According to the information and explanations given to us, the Company has made preferential allotment of 10,00,000 Equity shares of Rs 10 each to the promoters and their associates in compliance of BIFR sanctioned scheme.

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,  
FIRM REGN. NO. 112257W

SEEMA RAISONI, M.No.107730)  
PARTNER

PLACE : MUMBAI  
DATED: 28.05.2012

**STERLING STRIPS LIMITED**  
Balance Sheet as at 31st March, 2012

Particulars		Note No.	As at 31st March, 2012	As at 31st March, 2011
			Rupees	Rupees
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	50,960,000	40,960,000
	(b) Reserves and surplus	4	(35,046,350)	(42,562,713)
	(c) Money received against share warrants		-	-
<b>2</b>	<b>Share application money pending allotment</b>			
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	38,244,762	42,552,488
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities	6	32,892,450	6,055,574
	(d) Long-term provisions		-	-
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings		-	-
	(b) Trade payables	7	20,865,127	39,768,858
	(c) Other current liabilities	8	64,655,303	37,358,441
	(d) Short-term provisions	9	3,432,066	2,479,274
	<b>TOTAL</b>		176,003,357	126,611,923
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10A	12,399,684	14,021,978
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress	10B	37,728,418	33,000,227
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	11	12,319,847	649,263
	(e) Other non-current assets	12	739,488	-
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	13	43,631,546	42,876,113
	(c) Trade receivables	14	39,688,557	15,184,365
	(d) Cash and cash equivalents	15	14,471,144	596,279
	(e) Short-term loans and advances	16	6,232,836	13,304,808
	(f) Other current assets	17	8,791,836	6,978,888
	<b>TOTAL</b>		176,003,357	126,611,923
See accompanying notes forming part of the financial statements				

As per the attached report of even date  
For D.C. Bothra & Co.

Chartered Accountants

(Seema Ralsoni M. No. 107730)  
Partner

Place : Mumbai  
Date : 28.05.2012

For and on behalf of the Board of Directors

Deepakkumar Shah  
Managing Director

Dinesh Kumar Agarwal  
Executive Director &  
Company Secretary

**(Statement of Profit and Loss without stating EBITDA)**

**STERLING STRIPS LIMITED**

**Statement of Profit and Loss for the year ended 31 March, 2012**

Particulars		Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
			Rupees	Rupees
<b>A CONTINUING OPERATIONS</b>				
1 Revenue from operations (gross)		18	184,476,722	92,549,181
Less: Excise duty Collection		18	8,916,921	5,210,474
Revenue from operations (net)			175,559,801	87,338,707
2 Other income		19	575,345	95,541
3 <b>Total revenue (1+2)</b>			<b>176,135,147</b>	<b>87,434,248</b>
4 <b>Expenses</b>				
(a) Cost of materials consumed		20	90,217,964	50,108,218
(b) Purchases of stock-in-trade			37,108,556	12,890,544
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		21	(18,618,983)	(18,398,624)
(d) Employee benefits expense		22	12,524,072	10,544,934
(e) Finance costs		23	439,078	74,674
(f) Depreciation and amortisation expense		10C	1,821,964	1,757,942
(g) Other expenses		24	45,126,132	47,372,111
<b>Total expenses</b>			<b>168,616,783</b>	<b>104,349,799</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>			<b>7,516,364</b>	<b>(16,915,551)</b>
6 Exceptional items			-	200,562
7 <b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>			<b>7,516,364</b>	<b>(17,116,113)</b>
8 Extraordinary items			-	-
9 <b>Profit / (Loss) before tax (7 ± 8)</b>			<b>7,516,364</b>	<b>(17,116,113)</b>
10 <b>Tax expense:</b>				
(a) Current tax expense for current year			-	-
(b) (Less): MAT credit (where applicable)			-	-
(c) Current tax expense relating to prior years			-	-
(d) Net current tax expense			-	-
(e) Deferred tax			-	-
11 <b>Profit / (Loss) from continuing operations (9 ± 10)</b>			<b>7,516,364</b>	<b>(17,116,113)</b>
<b>B DISCONTINUING OPERATIONS</b>				
12.I Profit / (Loss) from discontinuing operations (before tax)			-	-
12.II Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations			-	-
12.III Add / (Less): Tax expense of discontinuing operations			-	-
(a) on ordinary activities attributable to the discontinuing operations			-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities			-	-
13 <b>Profit / (Loss) from discontinuing operations (12.I ± 12.II ± 12.III)</b>			<b>-</b>	<b>-</b>
<b>C TOTAL OPERATIONS</b>			<b>7,516,364</b>	<b>(17,116,113)</b>
14 <b>Profit / (Loss) for the year (11 ± 13)</b>			<b>7,516,364</b>	<b>(17,116,113)</b>

**STERLING STRIPS LIMITED**

**Statement of Profit and Loss for the year ended 31 March, 2012 (contd.)**

Particulars		Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
			Rupees	Rupees
15.I <b>Earnings per share (Face Value of ₹ Rs 10/- each):</b>				
(a) Basic				
(i) Continuing operations		23.a	1.73	(4.18)
(ii) Total operations		23.b	1.73	(4.18)
(b) Diluted				
(i) Continuing operations				
(ii) Total operations				
15.II <b>Earnings per share (excluding extraordinary items) (of ₹ Rs 10/- each):</b>				
(a) Basic				
(i) Continuing operations		23.c	1.73	(4.18)
(ii) Total operations		23.d	1.73	(4.18)
(b) Diluted				
(i) Continuing operations				
(ii) Total operations				
<b>See accompanying notes forming part of the financial statements</b>				

As per the attached report of even date

For D.C. Bothra & Co.

Chartered Accountants

(Seema Ralsoni M. No. 107730)

Partner

For and on behalf of the Board of Directors

Deepakkumar Shah  
Managing Director

Dinesh Kumar Agarwal  
Executive Director  
& Company Secretary

Place : Mumbai  
Date :28/05/2012

Place :MUMBAI  
Date :28.05.2012

**STERLING STRIPS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2012**

**1. Corporate Information**

Sterling Strips Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its Shares are listed on Bombay Stock Exchange. Company is into Manufacturing activities- Boiler and Steam generation plants, Industrial Refrigeration Plants, Heavy Industrial Fabrication and is in process of establishing itself as EPC contractor in field of mini steel & power plant.

**2. SIGNIFICANT ACCOUNTING POLICIES :**

**2.1 'Basis of accounting and preparation of financial statements**

The Financial statements have been prepared to comply in all material respect with the mandatory Accounting Standards notified by companies (Accounting Standards) rules, 2006 (as amended) & the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis in case of assets for which provisions for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the company & are consistent with those used in the previous year.

During the current year, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**2.2 Use of Estimates**

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets & liabilities & disclosures of contingent liabilities at the date of financial statements & the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events & actions, actual results could differ from these estimates.

**2.3 Inventories**

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 on estimate. Inventories have been valued excluding excise paid on purchases

**2.4 'Cash and cash equivalents (for purposes of Cash Flow Statement)**

'Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.5 'Cash flow statement**

'Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.6 'Depreciation and amortization**

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.

**2.7 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 and Excise duty.

**2.8 Other Income**

Interest Income is accounted on accrual basis.

**2.9 Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation & impairment losses (if any). Cost comprises the purchase price & any attributable cost of bringing the asset to its working conditions for its intended use. Borrowing cost relating to the acquisition of the fixed asset which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

In respect of accounting periods commencing on or after 7th December, 2006, exchange difference arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

**2.10 Employee benefits**

Employee benefits such as salaries, allowances, non-monetary benefits which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

**2.11 Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**2.12 Taxation**

The Company is having huge unabsorbed depreciation and carry forward claim of losses under the Income Tax Act, 1961. 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.

**2.13 Provision for Guarantee/Warranty**

The estimated liability for product guarantee/warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

**2.14 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

The Company has no mechanism of getting information 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 end together with interest paid / payable under this Act have not been given.

**2.15 Contingent Liability**

- a. The Sales Tax Authorities has completed the assessment up to the financial year 2004-2005. 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/-.

**2.16 Foreign currency transactions and translations**

**Initial recognition**

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**Measurement of foreign currency monetary items at the Balance Sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

**Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.



**STERLING STRIPS LIMITED**  
**Notes forming part of the financial statements as at 31/03/2012**

**Note-3 Share Capital**

Ref. No. Particulars	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	Rupees	No. of shares	Rupees
Authorised Shares				
Equity Shares of `10/- each	6,000,000	60,000,000	5,000,000	50,000,000
Issued, subscribed and paid up				
Equity Shares of `10/- each fully paid up	5,096,000	50,960,000	4,096,000	40,960,000
	<u>5,096,000</u>	<u>50,960,000</u>	<u>4,096,000</u>	<u>40,960,000</u>

- a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	Rupees	No. of shares	Rupees
Equity Shares with Voting Rights				
At the beginning of the year	4,096,000	40,960,000	4,096,000	40,960,000
Issued during the year	1,000,000	10,000,000	-	-
Outstanding at the end of the year	<u>5,096,000</u>	<u>50,960,000</u>	<u>4,096,000</u>	<u>40,960,000</u>

- b Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:  
NIL

- c Details of Equity Shares have been issued for consideration other than cash during the period of last five years:  
NIL

- d Details of shareholders holding more than 5% shares in the

	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	% Holding	No. of shares	% Holding
Dharmendra Sanghvi	532,700	10.453	518,500	12.66
Param Kamlesh Kapadia	520,000	10.204	-	-
S. Venkata Subramanian	464,450	9.114	359,450	8.78
Pradeep G. Sanghvi	254,800	5.000	-	-

**Note-4 Reserve and Surplus**

	31.03.2012	31.03.2011
	Rupees	Rupees
a Cash Subsidiary Reserve (Special Incentives from State Govt.)	5,253,100	5,253,100
b Capital Reserve	18,002,073	18,002,073
c Profit & Loss A/C		
Opening Balance	(65,817,887)	(48,701,773)
Add: Profit for the Current Year	7,516,364	-
Less: Loss for the Current Year	-	(17,116,113)
Closing Balance	<u>(58,301,523)</u>	<u>(65,817,886)</u>
Total (a+b+c)	<u>(35,046,350)</u>	<u>(42,562,713)</u>

**STERLING STRIPS LIMITED**  
**Notes forming part of the financial statements as at 31/03/2012**

Non - Current Liabilities

<b>Note -5</b>	<u>Long Term Borrowings</u>	31.03.2012	31.03.2011
		Rupees	Rupees

Unsecured Loan

Loan from Relatives	13,798,274	18,071,000
Other Loans & Advances	24,446,488	24,481,488
	<u>38,244,762</u>	<u>42,552,488</u>

<b>Note-6</b>	<u>Other Long Term Liabilities</u>	31.03.2012	31.03.2011
		Rupees	Rupees

Sundry Creditors for expenses	3,234,379	1,930,561
Sundry Creditors for goods	29,658,071	4,125,013
	<u>32,892,450</u>	<u>6,055,574</u>

Current Liabilities

<b>Note-7</b>	<u>Trade Payables</u>	31.03.2012	31.03.2011
		Rupees	Rupees

Sundry Creditors for Goods	20,865,126	39,768,858
	<u>20,865,127</u>	<u>39,768,858</u>

<b>Note-8</b>	<u>Other Current Liabilities</u>	31.03.2012	31.03.2011
		Rupees	Rupees

Sundry Creditors for Expenses	8,359,330	6,065,172
Advance from Parties	51,733,533	28,324,029
<u>Other Payables</u>		
TDS Payable	370,005	360,193
Statutory Payables	4,192,434	2,609,047
Current year Taxes Payable (Net of Advance Tax)	-	-
	<u>64,655,303</u>	<u>37,358,441</u>

<b>Note -9</b>	<u>Short Term Provisions</u>	31.03.2012	31.03.2011
		Rupees	Rupees

Provision for Income Tax	920,000	920,000
Provision for FBT	189,478	189,478
Provision for Doubtful Debts	853,474	808,596
Provision for Warranty & Guarantee	1,469,114	561,200
	<u>3,432,066</u>	<u>2,479,274</u>

**STERLING STRIPS LIMITED**

Notes forming part of the financial statements as at 31/03/2012

**Note-10A**

(i) **TANGIBLE ASSETS**

**GROSS BLOCK**

**ASSETS**

**LEASE ASSETS**

1	LEASEHOLD LAND	318,586	-	-	318,586
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**OWNED ASSETS**

2	FACTORY BUILDING	6,326,723	-	-	6,326,723
---	------------------	-----------	---	---	-----------

3	OFFICE PREMISES	1,575,102	-	-	1,575,102
---	-----------------	-----------	---	---	-----------

4	PLANT AND EQUIPMENTS	29,362,412	-	-	29,362,412
---	----------------------	------------	---	---	------------

5	ELECTRICAL FITTINGS	787,793	-	-	787,793
---	---------------------	---------	---	---	---------

6	FURNITURE AND FIXTURE	567,093	-	-	567,093
---	-----------------------	---------	---	---	---------

7	AIR CONDITIONER	329,053	30,213	-	359,266
---	-----------------	---------	--------	---	---------

8	OFFICE EQUIPMENTS	844,832	-	-	844,832
---	-------------------	---------	---	---	---------

**Others**

9	SOFTWARE	23,364	-	-	23,364
---	----------	--------	---	---	--------

10	EDP EQUIPMENTS	894,864	169,457	-	1,064,321
----	----------------	---------	---------	---	-----------

	TOTAL OF THIS YEAR	41,029,822	199,670	-	41,229,492
--	--------------------	------------	---------	---	------------

	GRAND TOTAL	41,029,822	199,670	-	41,229,492
--	-------------	------------	---------	---	------------

	TOTAL OF THE PREVIOUS YEAR	39,265,879	1,763,943	-	41,029,822
--	----------------------------	------------	-----------	---	------------

**DEPRECIATION BLOCK**

**LEASE ASSETS**

1	LEASEHOLD LAND	73,891	3,352	-	77,243
---	----------------	--------	-------	---	--------

**OWNED ASSETS**

2	FACTORY BUILDING	4,009,919	211,313	-	4,221,232
---	------------------	-----------	---------	---	-----------

3	OFFICE PREMISES	379,737	25,674	-	405,411
---	-----------------	---------	--------	---	---------

4	PLANT AND EQUIPMENTS	20,025,579	1,394,715	-	21,420,294
---	----------------------	------------	-----------	---	------------

5	ELECTRICAL FITTINGS	734,986	37,420	-	772,406
---	---------------------	---------	--------	---	---------

6	FURNITURE AND FIXTURE	567,093	-	-	567,093
---	-----------------------	---------	---	---	---------

7	AIR CONDITIONER	83,678	48,280	-	131,958
---	-----------------	--------	--------	---	---------

8	OFFICE EQUIPMENTS	656,381	40,130	-	696,511
---	-------------------	---------	--------	---	---------

**Others**

9	SOFTWARE	4,897	3,787	-	8,684
---	----------	-------	-------	---	-------

10	EDP EQUIPMENTS	471,683	57,293	-	528,976
----	----------------	---------	--------	---	---------

	TOTAL OF THIS YEAR	27,007,844	1,821,964	-	28,829,808
--	--------------------	------------	-----------	---	------------

	GRAND TOTAL	27,007,844	1,821,964	-	28,829,808
--	-------------	------------	-----------	---	------------

	TOTAL OF THE PREVIOUS YEAR	25,249,902	1,757,942	-	27,007,844
--	----------------------------	------------	-----------	---	------------

**NET BLOCK**

**LEASE ASSETS**

1	LEASEHOLD LAND		241,343		244,695
---	----------------	--	---------	--	---------

**OWNED ASSETS**

2	FACTORY BUILDING		2,105,491		2,316,804
---	------------------	--	-----------	--	-----------

3	OFFICE PREMISES		1,169,691		1,195,365
---	-----------------	--	-----------	--	-----------

4	PLANT AND EQUIPMENTS		7,942,118		9,336,833
---	----------------------	--	-----------	--	-----------

5	ELECTRICAL FITTINGS		15,387		52,807
---	---------------------	--	--------	--	--------

6	FURNITURE AND FIXTURE		-		-
---	-----------------------	--	---	--	---

7	AIR CONDITIONER		227,308		245,375
---	-----------------	--	---------	--	---------

8	OFFICE EQUIPMENTS		148,321		188,451
---	-------------------	--	---------	--	---------

**Others**

9	SOFTWARE		14,680		18,467
---	----------	--	--------	--	--------

10	EDP EQUIPMENTS		535,345		423,181
----	----------------	--	---------	--	---------

	TOTAL OF THIS YEAR		12,399,684		14,021,978
--	--------------------	--	------------	--	------------

	GRAND TOTAL		12,399,684		14,021,978
--	-------------	--	------------	--	------------

	TOTAL OF THE PREVIOUS YEAR		14,021,978		14,813,962
--	----------------------------	--	------------	--	------------

**Note -10B Capital Work In Progress**

	Building Under Construction	16,977,588		13,726,018
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	Machinery Under Installation	20,750,830		19,274,209
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		37,728,418		33,000,227
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**STERLING STRIPS LIMITED**

Notes forming part of the financial statements as at 31/03/2012

<u>Non Current Assets</u>		
<b>Note-11</b>	<u>Long Term Loans and Advances</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	1) <u>Deposits with Statutory Authorities</u>	
	Secured Deposits	87,930
	2) <u>Security Deposits</u>	
	Secured Deposits	1,143,350
	3) <u>Capital Advances</u>	
	Capital Advance	11,088,567
		253,858
		12,319,847
		649,263
<b>Note 12</b>	<u>Other Non Current Assets</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	Trade Receivables(Unsecured)	739,488
		739,488
<u>Current Assets</u>		
<b>Note -13</b>	<u>Inventories</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	(As taken, Valued & Certified by the management)	
	Material, Stores & Components	5,170,503
	Work In Progress	38,461,043
		43,631,546
		42,876,113
<b>Note- 14</b>	<u>Trade Receivables</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	(Unsecured considered good unless otherwise stated)	
	1)Debts outstanding for a period exceeding six months from the date they are due	13,606,987
	2)Other Debts	26,081,570
		39,688,557
		15,184,365
<b>Note -15</b>	<u>Cash and Cash Equivalents</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	Cash in Hand	48,840
	<u>Balance with Banks</u>	
	i) In Current Account	3,206,194
	<u>Other Bank Balances</u>	
	ii) In Fixed Deposit Account	11,216,110
	(Rs 60,000 in Fixed Deposits Account has maturity of more than 12 Months)	
		14,471,144
		596,279
<b>Note- 16</b>	<u>Short Term Loans and Advances</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	Advance to parties (Others)	6,232,836
	(Unsecured)	
		6,232,836
		13,304,808
<b>Note- 17</b>	<u>Other Current Assets</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	1) Balance with Revenue Authorities	8,780,887
	2) Prepaid Expenses	10,949
		8,791,836
		6,978,888
<b>Note-18</b>	<u>Revenue from Operations</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	1) Sale of Products	150,458,393
	2) Sale of Services	25,101,408
	Excise Duty Collection	8,916,921
	Revenue from Operations	184,476,722
		92,549,181
<b>Note -19</b>	<u>Other Income</u>	
	31.03.2012	31.03.2011
	Rupees	Rupees
	1) Interest Income	573,388
	2) Sundry Balance Written Off	1,957
	3) Misc. Income	-
		575,345
		17,947
		77,594
		95,541

**STERLING STRIPS LTD**  
**Notes forming part of the financial statements as at 31/03/2012**

**Note-20**

	31.03.2012 Rupees	31.03.2011 Rupees
a) <u>Cost of Raw Material consumed</u>		
Stock at commencement		
Materials, Stores & Spares	23,034,053	4,849,556
Material, Stores & Spares Purchases	72,354,414	68,292,715
	<u>95,388,467</u>	<u>73,142,271</u>
Less : Stock at close		
Materials, Stores & Spares	5,170,503	23,034,053
	<u>5,170,503</u>	<u>23,034,053</u>
	<u>90,217,964</u>	<u>50,108,218</u>

**Note:-**

(Stores and spares have not been identified and treated different from Rawmaterial and hence included in the same and not treated as other expenses)

**Note -21**

Changes in Work in Progress	31.03.2012 Rupees	31.03.2011 Rupees
Opening Work in Progress	19,842,060	1,443,436
Closing Work in Progress	38,461,043	19,842,060
	<u>(18,618,983)</u>	<u>(18,398,624)</u>

**Note -22**

<u>Employee Benefits Expenses</u>	31.03.2012 Rupees	31.03.2011 Rupees
Salaries, Wages & Bonus	9,839,454	7,951,448
Employer's Contribution to Prov. Fund	18,250	54,084
Staff Welfare Expenses	251,368	138,152
Directors Remuneration	2,415,000	2,401,250
	<u>12,524,072</u>	<u>10,544,934</u>

**Note -23**

<u>Finance Cost</u>	31.03.2012 Rupees	31.03.2011 Rupees
Bank Charges	111,338	67,846
Interest Others	180,147	6,828
Foreign Exchange Fluctuation	147,593	-
	<u>439,078</u>	<u>74,674</u>

**Note-24**

<u>Other Expenses</u>	31.03.2012 Rupees	31.03.2011 Rupees
Designs & Drawing	2,247,209	4,217,225
Project/Site Expenses	24,215,145	8,156,739
Inspection & Testing Charges	54,502	105,762
Repairs & Maintenance	90,325	534,575
Carriage Inward	858,523	347,540
Power, Fuel & Water Charges	608,191	633,766
Labour Charges	10,821,290	5,585,957
Travelling & Conveyance	1,069,685	1,535,329
Postage & Telephone Expenses	240,975	210,027
Legal & Professional charges	1,100,240	319,296
Printing & Stationary	213,449	190,415
Demat Facility Charges	32,000	12,000
Rates & Taxes- MIDC	127,129	85,036
Insurance Exp.	27,120	50,482
Excise Duty Exp.	195,299	1,360
Service Tax GTA (F)	92,527	40,312
Listing Fee	142,500	16,300
Membership & Subscription Charges- MIDC	3,000	2,400
Share Registrar Fees	57,047	35,666
Filing Fees	5,990	5,000
Auditors Remuneration	115,000	95,000
Electricity Charges	115,100	137,180
Office Rent	1,070,600	693,350
Society Charges	32,735	67,115
Brokerage Expenses	170,000	-
General Expenses	117,525	76,193
Advertisement & Sales promotion	343,428	79,327
Sundry Balance Written off	6,805	10,485
Provision Doubtful Debts	44,878	808,596
Provision Warranty & Guarantee	907,914	561,200
Bad Debts	-	22,758,477
	<u>45,126,132</u>	<u>47,372,111</u>

**STERLING STRIPS LTD**  
**Notes forming part of the financial statements as at 31/03/2012**

<b>Note -25</b>	<b>Earnings Per Share (EPS):</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	Net Loss as per Profit and Loss Account (in `)	7,516,364	(17,116,113)
	Weighted average number of equity shares (par value of ` 10/- each)	4,346,000	4,096,000
	Earnings per share (Face value of ` 10/- each)- Basic and Diluted (in `)	1.73	(4.18)

**Note:-There are no potential outstanding Equity Shares, hence diluted Earning Per Share not calculated.**

**Note -26** 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 . The provision for all known liabilities subject to confirmation by respective parties are adequate and not in excess of amount reasonably necessary.

**Note -27** 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.

**Note -28** In view of BIFR approval of Revival scheme dated 07.04.2011 , Company has neither paid nor provided interest liability on unpaid statutory dues and liability of interest thereon has not also been ascertained .

**Note -29** ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPHS 3, 4, 4B, 4C & 4D OF PART II OF SCHEDULE VI OF THE COMPANIES

**A) During the year the company has provided Rs. 24,15,000/- (Pr. Yr. Rs. 24,01,250/-) towards remuneration to Directors.**

Mr. S. Venkat Subramanian	Chairman	Rs. 8,85,000/-
Mr. Deepak S. Shah	Managing Director	8,25,000/-
Mr. Dinesh Kumar Agarwal	Executive Director	7,05,000/-

**B) Remuneration provided for Auditors :-**

	<b>(Rs.)</b>	<b>(Rs.)</b>
Particular	<b>2011- 2012</b>	<b>2010- 2011</b>
Statutory Audit Fees	60000	50000
Tax Audit Fees	30000	20000
VAT Audit Fees	25000	25000
Tax Matters	-	-
Service tax	-	9785
<b>Total</b>	<b>1,15,000</b>	<b>1,04,785</b>

**C) LICENCED AND INSTALLED CAPACITY**

<b>CLASS OF GOODS</b>	<b>UNIT</b>	<b>LICENCED CAPACITY</b>	<b>INSTALLED CAPACITY</b>
	<b>QTY.</b>	<b>PER ANNUM</b>	<b>PER ANNUM</b>
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.)			

**D) PRODUCTION AND TURNOVER (As certified by the Managing Director and relied upon by Auditors )**

<b>CLASS OF GOODS</b>	<b>UNIT Q.T.Y.</b>	<b>PRODUCTION Q.T.Y.</b>	<b>SALE Q.T.Y.</b>	<b>TURNOVER AMOUNT IN RS.</b>
Industrial Boilers	Nos.	---	---	---
		(1)	(1)	(1,009,000)
M.S. Pipe	M.T.	---	---	---
Other Manufactured Products	Unidentified	---	---	96,177,868
	(Unidentified)	---	---	(58,255,271)
Resale of goods accessories & spares (Unidentified)	Unidentified	---	---	54,280,526
	(Unidentified)	---	---	(17,639,887)
Job Work				25,101,407
				(15,645,023)
<b>Total</b>				<b>175,559,801</b>
(Figure in the bracket pertains to previous year)				<b>(92,549,181)</b>

**STERLING STRIPS LTD**  
**Notes forming part of the financial statements as at 31/03/2012**

**E) 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	2,30,34,053
	(48,49,556)
Purchases	7,23,54,414
	(6,82,92,715)
Closing Stock	51,70,503
	(2,30,34,053)
Stock W/o	
	(----
Consumption	9,02,17,964
	(5,01,08,218)
(Figures in bracket pertains to previous year)	

**F) DETAILS OF IMPORTED AND INDIGENOUS CONSUMPTION OF RAW MATERIALS, STORES, SPARES AND COMPONENTS.**

	For the year ended on 31 <sup>st</sup> March, 2012		For the year ended on 31 <sup>st</sup> March, 2011	
	Rupees	% of total consumption	Rupees	% of total consumption
Imported	24,33,595	2.24%	Nil	Nil
Indigenous	10,62,37,942	97.76%	4,46,00,138	100.00%
Total	10,87,07,537	100.00%	4,46,00,138	100.00%

**G) Information in respect of foreign exchange inflow & outflow.-**

	Current Year	Previous Year
Earning in Foreign Currency	46,092,644	----
F.O.B	----	----
Foreign Exchange Outflow	1,09,97,309	60,54,951

**Note -30**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. REGISTRATION DETAILS:</b>			
Registration No. :	11-34343	State Code	11
Balance sheet Date :	31.03.2012		
<b>II. CAPITAL RAISED DETAILS:</b>			
Public Issue :	Nil	Right Issue :	10,00,000
Bonus issue :	Nil	Private Placement	Nil
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)</b>			
Total Liabilities :	541.59		
Sources of Funds:			
Paid up capital :	509.6	Reserves & Surplus :	-350.46
Secured Loans :	0	Unsecured Loans	382.45
Total Assets :	541.59		
Application of Funds :			
Net Fixed Assets :	501.29	Investment :	0
Net Current Assets :	40.30	Misc. Expenditure	0
Accumulated Losses:	0		
<b>IV. PERFORMANCE OF COMPANY (Rs. In Lacs)</b>			
Turnover & other Income :	1761.35	Total Expenditure	1686.19
Profit Before Tax :	75.16	Profit After Tax	75.16
Earning Per Share :	1.73 Rs	Dividend rate	Nil
<b>V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS /SERVICES OF COMPANY:</b>			
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.		

**STERLING STRIPS LTD**  
**Notes forming part of the financial statements**  
**Cash Flow Statement for the year ended 31 March, 2012**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		7,516,364		(16,915,551)
<u>Adjustments for:</u>				
Depreciation and amortisation	1,821,964		1,757,942	
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on Shares				
(Profit) / loss on sale / write off of assets				
Expense on employee stock option scheme				
Finance costs	439,078		74,674	
Interest income	(573,388)			
Dividend income				
Net (gain) / loss on sale of investments				
Rental Income from investment properties				
Rental income from operating leases				
Share of profit from partnership firms				
Share of profit from AOPs				
Share of profit from LLPs				
Liabilities / provisions no longer required written back				
Adjustments to the carrying amount of investments				
Provision for losses of subsidiary companies				
Provision for doubtful trade and other receivables, loans	44,878		808,596	
And Advances				
Provision for estimated loss on derivatives				
Provision for warranty	907,914		561,200	
Provision for estimated losses on onerous contracts				
Provision for contingencies				
Other non-cash charges (specify)				
Net unrealised exchange (gain) / loss				
	2,640,446		3,202,412	
Operating profit / (loss) before working capital changes		10,156,810		(13,713,139)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(755,433)		(36,583,121)	
Trade receivables	(24,504,192)		3,402,683	
Short-term loans and advances	7,071,972		(7,354,951)	
Long-term loans and advances	(11,670,584)		20,135	
Other current assets	(2,435,282)		(3,107,900)	
Other non-current assets	(739,488)		22,743,477	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(18,903,731)		28,220,820	
Other current liabilities	27,296,862		4,371,734	
Other long-term liabilities	26,836,876		1,883,868	
Short-term provisions			(62,568)	
Long-term provisions				
	2,196,999		13,534,177	
Cash flow from extraordinary items		12,353,809		(178,962)
Cash generated from operations		12,353,809		200,562
Net income tax (paid) / refunds		622,334		(379,524)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>12,976,143</b>		<b>(379,524)</b>



**STERLING STRIPS LTD**  
**Notes forming part of the financial statements**  
**Cash Flow Statement for the year ended 31 March, 2012 (Contd.)**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rupees	Rupees	Rupees	Rupees
<b>B. Cash flow from Investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(4,927,861)		(14,482,198)	
Proceeds from sale of fixed assets				
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed				
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchased				
- Proceeds from sale				
Purchase of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Loans given				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Loans realised				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	573,388			
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Rental income from investment properties				
Rental income from operating leases				
Amounts received from partnership firms				
Amounts received from AOPs				
Amounts received from LLPs				
	(4,354,473)		(14,482,198)	
Cash flow from extraordinary items		(4,354,473)		(14,482,198)
Net income tax (paid) / refunds		0		0
<b>Net cash flow from / (used in) Investing activities (B)</b>		(4,354,473)		(14,482,198)

**STERLING STRIPS LIMITED**  
**Notes forming part of the financial statements**  
**Cash Flow Statement for the year ended 31 March, 2012 (Contd.)**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rupees	Rupees	Rupees	Rupees
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	10,000,000			
Proceeds from issue of preference shares				
Redemption / buy back of preference / equity shares				
Proceeds from issue of share warrants				
Share application money received / (refunded)				
Proceeds from long-term borrowings				
Repayment of long-term borrowings	(4,307,726)		14,846,000	
Net increase / (decrease) in working capital borrowings				
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost	(439,078)		(74,674)	
Dividends paid				
Tax on dividend				
	5,253,196		14,771,326	
Cash flow from extraordinary items		0		0
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>5,253,196</b>		<b>14,771,326</b>
<b>Net Increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>13,874,864</b>		<b>(90,401)</b>
Cash and cash equivalents at the beginning of the year		596,279		686,679
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
<b>Cash and cash equivalents at the end of the year</b>		<b>14,471,143</b>		<b>596,278</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		3,255,034		536,279
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details)		0		0
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> ) included in Note 19		<b>3,255,034</b>		<b>536,279</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> ) (Refer Note (ii) to Note 16 Current investments)		11,216,110		60,000
<b>Cash and cash equivalents at the end of the year *</b>		<b>14,471,144</b>		<b>596,279</b>
* Comprises:				
(a) Cash on hand				
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts				
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For D.C. Bothra & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**(Seema Raisonl M. No. 107730)**  
**Partner**

**Deepakkumar Shah**  
**Managing Director**

**Dinesh Kumar Agarwal**  
**Executive Director**  
**& Company Secretary**

Place : Mumbai  
Date: 28.05.2012

## 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-Seventh Annual General Meeting of the Company held at the Registered Office at A-8/4, MIDC, Murbad – 421 401 at 4 p.m. on 27<sup>th</sup> September 2012

SIGNATURE OF THE MEMBER / PROXY

## PROXY FORM

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

Regd. Folio No.	No. of Shares Held

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member (s) of  
STERLING STRIPS LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me / us,  
on my behalf at the Twenty-Seventh – Annual General Meeting of the Company to be at the Registered Office At A  
- 8/4, MIDC, Murbad-421 401 Dist.: Thane at 4.00 p.m. on 27<sup>th</sup> September 2012 and at any adjournment thereof.

As witness my / our hand (s) this \_\_\_\_\_ day \_\_\_\_\_

Signature of the member \_\_\_\_\_

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.

### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Bigshare Services Private Limited (Registrar and Share Transfer Agents of the company) by sending a request letter duly signed by the first / sole shareholder.

# **BOOK - POST**

**If Undelivered Please Return to  
STERLING STRIPS LIMITED  
301, 302, AVIOR, Nirmal Galaxy,  
L. B. S. Marg, Mulund (W),  
Mumbai- 400 080.**