

28TH ANNUAL REPORT 2012 - 2013



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 Eight Annual General Meeting of the members of the company will be held at it's Registered Office at A 8/4, M.I.D.C. Murbad, Dist: Thane 421 401, on Thursday the 26th September 2013 at 4.00 P.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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. Bakul Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Dinesh Kumar Agarwal, 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 an SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of section 372(A) of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of directors of the Company (hereinafter referred to as the 'Board' which expression shall include a Committee of directors duly authorized in this behalf) the consent of the Company be and is hereby accorded to the Board of directors of the Company to make investments in body corporate, in excess of the 60 % of the aggregate of the paid-up share capital and free reserves and/or upto 100% of the aggregate of free reserves of the Company as per the limits prescribed under section 372(A) to the Company as they may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs. 300 Lacs at any time."

"RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to negotiate the terms, condition, quantum of investment, and other related matters for making any investment to the above said bodies corporate and to do all such deeds and things as may be deemed expedient and necessary to give effect to this resolution."

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

PLACE : MUMBAI
DATE : 12th AUGUST, 2013

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 23rd September, 2013 to 26th September, 2013 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. Bakul Shah	Mr. Dinesh Kumar Agarwal
Date of Birth	23-11-1959	08-11-1974
Date of Appointment	30/06/2005	27/05/2010
Qualification	Bcom, A.C.A.	Bcom, A.C.A., A.C.S.
Expertise in specific functional area and years	Accounts & Finance - 26 years	Finance, Accounts & Statutory Compliance - 12 years
List of Other Directorship Held	Nil	Nil
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	Member - Shareholder / Investor Grievance Committee & Remuneration Committee, Chairman - Audit Committee	Nil
Shareholding in the Company	Nil	12,500 Shares

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

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a company can make Investment beyond the prescribed ceiling of 60 % of the aggregate of the paid-up share capital and free reserves and/or upto 100% of the aggregate of free reserves of the Company if Special Resolution is passed by the shareholders of investing company.

M/s SG Saw Pipes And Tubes Pvt. Ltd. a Saw Pipes manufacturing Company has approached the Company for entering in to joint venture to exploit the possibilities in field of Pipe manufacturing & laying of pipe lines. It is proposed to invest in equity of M/s SG Saw Pipes And Tubes Pvt. Ltd. for a maximum amount up to Rs. 300 lakhs from internal accruals with approval of the shareholders by way of special resolution. Hence the proposal is placed for your approval.

None of the Directors, except Mr. Dipakkumar Shah & Mr. Dinesh Kumar Agarwal who have been appointed as Director on the Board of M/s SG Saw Pipes & Tubes Pvt. Ltd. is interested in the resolution.

DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2013 and Auditors Report thereon.

1. FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	2012-13	2011-12
Sales & Other Income	554.06	1761.35
Profit/(Loss) Before Interest & Depreciation	(78.61)	97.77
Less: Interest & Finance Charges	0.40	4.39
Profit/(Loss) Before Depreciation	(79.01)	93.38
Less: Depreciation	21.27	18.22
Profit/ (Loss) Before Tax	(100.28)	75.16
Less : Prior Period Expenses	0.00	0.00
Less : Provision for Tax	0.00	0.00
Less : Exceptional Items	5.98	0.00
Less : Provision for Warranty & Guarantee	13.09	0.00
Profit/ (Loss) After Tax	(81.20)	75.16
Add: Balance brought forward	(583.02)	(658.18)
Balance carried to Balance Sheet	(664.22)	(583.02)

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. 554.06 Lacs including the other income against turnover in the previous year of Rs. 1761.35 Lacs. Further the Company has made a loss of Rs 81.20 Lacs for the year ended 31st March 2013 as against a profit of Rs 75.16 Lacs during the previous year ended 31st March 2012. During the previous year, revival scheme had 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 had become positive. Hence, Hon'ble BIFR vides its order dated 13th June, 2012, discharge the company from the purview of (SICA).

4. BUSINESS PROSPECTS

There is a substantial drop in the turnover of the Company for the year ended 31st March, 2013 as against the year ended 31st March, 2012 and hence company incurred losses during the year ended 31st March 2013. 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 improve its performance 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. Bakul Shah and Mr. Dinesh Kumar Agarwal 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 31st March 2013, the Company has followed the applicable accounting standards along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for the year ended 31st March 2013.
- 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 : 12.08.2013

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. 2,49,188/- (4,60,92,644/-)
D. Foreign Exchange Outgo : Rs. 41,65,174/- (1,09,97,309/-)

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 : 12.08.2013
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 31st March, 2013, four Board Meetings were held on the following dates: (1) 28th May 2012(2) 13th August 2012(3) 10th November 2012 (4) 8th February 2013.

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 31.03.2013
		Directorship #		Board meeting	Last AGM	
		Public	Private			
Mr. S. Venkata Subramanian	Executive Chairman	-	-	4	Yes	464450
Mr. Deepakkumar Shah	Executive Managing Director	-	1	4	Yes	245050
Mr. Mukund Gopal Gharpure	Independent Non Executive	-	2	4	Yes	Nil
Mr. Bakul Zaverchand Shah	Independent Non Executive	-	-	4	Yes	Nil
Mr. Rajesh Ulhas Deshpande	Independent Non Executive	-	2	4	Yes	Nil
Mr. Dinesh Kumar Agarwal	Executive Whole-time Director	-	1	4	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. Bakul Shah	Mr. Dinesh Kumar Agarwal
Date of Birth	23-11-1959	08-11-1974
Date of Appointment	30/06/2005	27/05/2010
Qualification	B.Com, A.C.A	B.Com, A.C.A., A.C.S
Expertise in specific functional area and years	Accounts & Finance – 26 years	Finance, Accounts & Statutory Compliance – 12 years
List of Other Directorship Held	Nil	Nil
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	Member - Shareholder / Investor Grievance Committee & Remuneration Committee, Chairman – Audit Committee	Nil
Shareholding in the Company	Nil	12,500 Shares

Details of the Directors, who cease to hold office on the commencement of 28th AGM and seeking reappointment (in pursuance of Clause 49 of the Listing Agreement)

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 31st March, 2013, four Audit Committee Meetings were held on the following dates:
(1) 28th May 2012 (2) 13th August 2012 (3) 10th November 2012 (4) 8th February 2013

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)	4
Mr. Rajesh Ulhas Deshpande	4
Mr. Mukund Gopal Gharpure	4

(2) 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.

(3) 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.

3. 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 28th May 2012 & 10th November 2012.

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. Mukund 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 2012-13 are:

Name of the Director	Remuneration

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.

4. SHARE HOLDER'S / INVERSTOR GRIEVANCE COMMITTEE

The Shareholder's / Investor's Grievance Committee comprises of Mr. Mukund 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 - 4
Complaint pending redressal as on 31.03.2013 - NIL

5. 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
25th	Thursday	12th August 2010	4.00 P.M	3	Registered Office of the Company: A- 8/4, MIDC, Murbad, Thane. --do-- --do--
26th	Thursday	29th September 2011	4.00 P.M	2	
27th	Thursday	27th September 2012	4.00 P.M	3	

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

6. 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.

7. 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" & "Aapla Mahanagar" newspapers.

8. GENERAL SHAREHOLDER INFORMATION

- Annual General meeting to be held (28th)
Day, Date & Time : Thursday, 26th September, 2013 at 4.00 P.M.
Venue : At A - 8/4, MIDC, Murbad, Thane.
 - Financial Year : 2012-13.
 - Book Closure : 23rd September, 2013 to 26th September, 2013 (Both days inclusive).
 - BSE Scrip Code : 513575
- (e) Market price data for the financial year ended 2012-13 are as under:

MONTH	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume
April, 12	7.70	7.32	7.32	300
May, 12	-	-	-	-
June, 12	-	-	-	-
July, 12	7.50	4.21	4.42	1080
August, 12	4.21	3.31	3.31	2365
September, 12	3.46	3.00	3.29	1235
October, 12	4.35	3.29	3.95	3200
November, 12	5.89	3.94	5.06	4880
December, 12	6.11	4.81	6.10	2050
January, 13	6.40	6.10	6.10	380
February, 13	5.80	5.80	5.80	60
March, 13	6.30	5.71	6.30	2405

- (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

(g) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013

a. Details of shareholding distribution of equity shares of face value of Rs 10/- each as on March 31st, 2013:

Nominal Value of Equity Shares	No. of Shareholders	% of Total Shareholders	Total holding in Rupees	%
1 to 500	4571	90.1756	8218600	16.1278
501 to 1000	253	4.9911	2193650	4.3047
1001 to 2000	85	1.6769	1262500	2.4774
2001 to 3000	75	1.4796	1891000	3.7108
3001 to 4000	13	0.2565	474000	0.9301
4001 to 5000	15	0.2959	725300	1.4233
5001 to 10000	15	0.2959	1151700	2.2600
10001 to 99999999	42	0.8286	35043250	68.7662
Total	5069	100.00	50960000	100.0000

b. Shareholding Pattern as on March 31, 2013:

CATEGORY	NO. OF SHARES	PERCENTAGE OF SHAREHOLDING
Promoters Group	31,96,750	62.73
Banks, Financial Institution	7,900	0.15
Private Corporate Bodies	21,710	0.43
Indian Public	17,07,740	33.51
NRI	1,61,900	3.18

- (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

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, 2013.

For & On Behalf of the Board

DATE : 12.08.2013
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 31st March 2013, 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 : 12.08.2013
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, 2013 and forms part of the Directors' Report.

1. Overall & Business Review

The Indian Economy continues to be in the grip of a slowdown. Growth rate slowed to 5% in the year 2012-13 against growth rate of 6.2% in the year 2011-12. Growth rate in the service sector also declined from 8.2% in F.Y.2011-12 to 6.6% in F.Y.2012-13. In context of the Company, has made a loss in the year ended 31st March 2013 as against profit in the year ended 31st March 2012. However, it is not all gloom. In recent months, there have been signals of positive growth from both USA and Japan.

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 improve its performance 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 renewal 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 conservative in view of all recent trends. Interest rates were at a peak during the year 2012-13 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 optimistic. 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 improvement in the current year.

6. Risk and concern

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the attached financial statement of STERLING STRIPS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss Account and the Cash flow statement for the year ended March 31, 2013 and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 of India (the Act), and we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2.
 - 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. *The Company has not made provision for Doubtful Debts.*
3. Subject to what is stated above:

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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) On the basis of representation received from the Directors, as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as Directors under Section 274(1)(g) of Companies Act, 1956.;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR D.C. BOTHRA & CO.,
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO - 112257W

(Seema Raisoni M. NO. 107730)
 PARTNER

PLACE: MUMBAI
 DATE : 30.05.2013

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: -

- 1 a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets.
- 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.
- 2 a) As informed to us, the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals.
- b) On the basis of information and explanations furnished to us, in our opinion the procedures of physical verification of stocks followed by the management, wherever it is carried out, are reasonable in relation to the size of the Company and the nature of its business, *however, the same is required to be further strengthened.*
- c) As informed to us, no major discrepancies have been noticed by the management on their physical verification of stock as compared to the book records and the same is properly accounted.
- 3 a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- b) 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
1	14634500/-	19782774/-

- 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 exists 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 which in our opinion needs to be further strengthened. 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, particulars of contracts or arrangements referred to in S-301 of the Act have been entered
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.

STERLING STRIPS LIMITED.

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

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	Provident Fund	Profession Tax	WCT
2012-13						0	200457	3712	9363	33775	25425
2011-12						2706353					
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	-	Amount not ascertainable		5,827	-	-					
2002 - 03	-			-	-	-					
2001 - 02	-			-	-	-					
2000 - 01	-			-	-	-	668				
1999 - 00	-			-	-	-					
1998 - 99	19,812		7,79,715	87,431	6,666	-					
1997 - 98	39,624						99,196				
1996 - 97	-						1,72,111				
TOTAL	59,436		7,79,715	9,88,424	6,666	3003328	472432	124839	9363	33775	25425

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.

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

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

STERLING STRIPS LIMITED.

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

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. 6,64,22,072/ (P.Y. Rs 5,83,01,523/-) 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. The Company has not any made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the act during the year.
- 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 : 30.05.2013

STERLING STRIPS LIMITED
Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
		Rupees	Rupees
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	50,960,000	50,960,000
(b) Reserves and surplus	4	(43,166,899)	(35,046,350)
(c) Money received against share warrants			
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	47,925,826	38,244,762
(b) Deferred tax liabilities (net)			
(c) Other long-term liabilities	6	87,973,779	32,892,450
(d) Long-term provisions			
4 Current liabilities			
(a) Short-term borrowings	7	9,584,334	20,885,127
(b) Trade payables	8	28,779,744	64,655,303
(c) Other current liabilities			
(d) Short-term provisions	9	2,123,075	3,432,066
TOTAL		184,179,858	176,003,357
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10A	28,897,401	12,399,684
(ii) Intangible assets			
(iii) Capital work-in-progress	10B	17,510,084	37,728,418
(iv) Intangible assets under development			
(v) Fixed assets held for sale			
(b) Non-current investments			
(c) Deferred tax assets (net)	11	8,034,670	17,424,516
(d) Long-term loans and advances			
(e) Other non-current assets	12	33,757,304	73,35,458
2 Current assets			
(a) Current investments	13	58,558,616	43,631,546
(b) Inventories	14	26,674,676	33,092,588
(c) Trade receivables	15	210,981	14,471,144
(d) Cash and cash equivalents	16	197,765	1,128,167
(e) Short-term loans and advances			
(f) Other current assets	17	10,538,361	8,791,836
TOTAL		184,179,858	176,003,357
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 Raisonii M. No. 107730)

Partner

Place : Mumbai
Date : 30.05.2013

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, 2013

Particulars	Note No.	For the year ended	For the year ended
		31st March, 2013	31st March, 2012
		Rupees	Rupees
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	18	57,816,237	184,476,722
Less: Excise duty Collection	18	4,051,362	8,916,921
Revenue from operations (net)		53,764,875	175,559,801
2 Other Income	19	1,640,919	575,345
3 Total revenue (1+2)		55,405,794	176,135,147
4 Expenses			
(a) Cost of materials consumed	20	41,360,205	90,217,964
(b) Purchases of stock-in-trade		905,388	37,108,556
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(13,419,293)	(18,618,983)
(d) Employee benefits expense	22	14,700,100	12,524,072
(e) Finance costs	23	39,625	439,078
(f) Depreciation and amortisation expense	10C	2,126,864	1,821,964
(g) Other expenses	24	19,720,883	45,126,132
Total expenses		65,433,772	168,618,783
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		-10,027,978	7,516,364
6 Exceptional items		598,438	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		(9,429,540)	7,516,364
8 Extraordinary items			
9 Profit / Loss before tax (7 + 8)		(9,429,540)	7,516,364
10 Provision for Warranty & Guarantee reversed		1,308,991	-
11 Tax expense:			
(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		-	-
12 Profit / (Loss) from continuing operations (9 ± 10)		(8,120,549)	7,516,364
B DISCONTINUING OPERATIONS			
13.I Profit / (Loss) from discontinuing operations (before tax)		-	-
13.II Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
13.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		-	-
14 Profit / (Loss) from discontinuing operations (12.I ± 12.II ± 12.III)		-	-
C TOTAL OPERATIONS		(8,120,549)	7,516,364
15 Profit / (Loss) for the year (11 ± 13)		(8,120,549)	7,516,364

(Statement of Profit and Loss without stating EBITDA)**STERLING STRIPS LIMITED**

Statement of Profit and Loss for the year ended 31 March, 2013 (contd.)

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2013	31 March, 2012
		Rupees	Rupees
15.I Earnings per share (Face Value of ` Rs 10/- each):			
(a) Basic			
(i) Continuing operations	25.a	-1.59	1.73
(ii) Total operations	25.b	-1.59	1.73
(b) Diluted			
(i) Continuing operations			
(ii) Total operations			
15.II Earnings per share (excluding extraordinary items) (of ` Rs 10/- each):			
(a) Basic			
(i) Continuing operations	25.c	-1.97	1.73
(ii) Total operations	25.d	-1.97	1.73
(b) Diluted			
(i) Continuing operations			
(ii) Total operations			
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 Raison) M. No. 107730
Partner

Place : Mumbai

Date :30/05/2013

For and on behalf of the Board of Directors

Deepakkumar Shah
Managing Director**Dinesh Kumar Agarwal**
Executive Director
& Company SecretaryPlace :
MUMBAI
Date :30.05.2013

STERLING STRIPS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2013

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, Solar, 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.

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. 1,48,73,700/- 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 31/03/2013

Note-3 Share Capital

Ref. No.	Particulars	As at 31 March, 2013		As at 31 March, 2012	
		No. of shares	Rupees	No. of shares	Rupees
	Authorised Shares				
	Equity Shares of `10/- each	6,000,000	60,000,000	6,000,000	60,000,000
	Issued, subscribed and paid up				
	Equity Shares of `10/- each fully paid up	5,096,000	50,960,000	5,096,000	50,960,000
		<u>5,096,000</u>	<u>50,960,000</u>	<u>5,096,000</u>	<u>50,960,000</u>

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

	As at 31 March, 2013		As at 31 March, 2012	
	No. of shares	Rupees	No. of shares	Rupees
Equity Shares with Voting Rights				
At the beginning of the year	5,096,000	50,960,000	4,096,000	4,096,000
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>5,096,000</u>	<u>50,960,000</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 company

	As at 31 March, 2013		As at 31 March, 2012	
	No. of shares	% Holding	No. of shares	% Holding
Dharmendra Sanghvi	532,700	10.453	532,700	10.453
Param Kamlesh Kapadia	520,000	10.204	520,000	10.204
S. Venkata Subramanian	464,450	9.114	464,450	9.114
Pradeep G. Sanghvi	255,150	5.007	254,800	5.000

Note-4 Reserve and Surplus

	31.03.2013		31.03.2012	
		Rupees		Rupees
a Cash Subsidiary Reserve		5,253,100		5,253,100
(Special Incentives from State Govt.)				
b Capital Reserve		18,002,073		18,002,073
c Profit & Loss A/C				
Opening Balance		(58,301,523)		(65,817,887)
Add: Profit for the Current Year		0		7,516,364
Less: Loss for the Current Year		(8,120,549)		-
Closing Balance		<u>(66,422,072)</u>		<u>(58,301,523)</u>
Total (a+b+c)		<u>(43,166,899)</u>		<u>(35,046,350)</u>

STERLING STRIPS LIMITED
Notes forming part of the financial statements as at 31/03/2013

Note -5	<u>Non - Current Liabilities</u>	31.03.2013	31.03.2012
	<u>Long Term Borrowings</u>	Rupees	Rupees
	<u>Unsecured Loan</u>		
	Loan from Relatives	23,479,338	13,798,274
	Other Loans & Advances	24,446,488	24,446,488
		<u>47,925,826</u>	<u>38,244,762</u>
	Loan from Relatives include loan from directors for meeting the fund requirements of the company and the same shall be repayable on demand.		
Note-6	<u>Other Long Term Liabilities</u>		
	Sundry Creditors for expenses	5,368,442	3,234,379
	Sundry Creditors for goods	42,124,030	29,658,071
	Security Deposit	324,000	-
	Advance from Parties	40,157,307	-
		<u>87,973,779</u>	<u>32,892,450</u>
Note-7	<u>Current Liabilities</u>		
	<u>Trade Payables</u>		
	Sundry Creditors for Goods	9,584,334	20,865,126
		<u>9,584,334</u>	<u>20,865,126</u>
Note-8	<u>Other Current Liabilities</u>		
	Sundry Creditors for Expenses	13,261,964	8,359,330
	Advance from Parties	7,615,001	51,733,533
	<u>Other Payables</u>		
	TDS Payable	969,426	370,005
	Statutory Payables	6,933,353	4,192,434
	Current year Taxes Payable (Net of Advance Tax)	-	-
		<u>28,779,744</u>	<u>64,655,303</u>
Note -9	<u>Short Term Provisions</u>		
	Provision for Income Tax	920,000	920,000
	Provision for FBT	189,478	189,478
	Provision for Doubtful Debts	853,474	853,474
	Provision for Warranty & Guarantee	160,123	1,469,114
		<u>2,123,075</u>	<u>3,432,066</u>

Note-10A

(i) **TANGIBLE ASSETS GROSS BLOCK**

	ASSETS	ADDITION (by			TOTAL
		OP. BALANCE	Purchases)	DELETION	
	LEASE ASSETS				
1	LEASEHOLD LAND	318,586	-	-	318,586
	OWNED ASSETS				
2	FACTORY BUILDING	6,326,723	3,825,592	-	10,152,315
3	OFFICE PREMISES	1,575,102	-	-	1,575,102
4	PLANT AND EQUIPMENTS	29,362,412	10,157,557	-	39,519,969
5	ELECTRICAL FITTINGS	787,793	460,766	-	1,248,559
6	FURNITURE AND FIXTURE	567,093	1,199,574	-	1,766,667
7	AIR CONDITIONER	359,266	760,418	-	1,119,684
8	OFFICE EQUIPMENTS	844,832	30,076	-	874,908
9	DIE & MOULD	-	654,828	-	654,828
	Others				
10	SOFTWARE	23,364	349,606	-	372,970
11	EDP EQUIPMENTS	1,064,321	986,164	-	2,050,485
	TOTAL OF THIS YEAR	41,229,492	18,424,581	-	59,654,073
	GRAND TOTAL	41,229,492	18,424,581	-	59,654,073
	TOTAL OF THE PREVIOUS YEAR	41,029,822	199,670	-	41,229,492

DEPRECIATION BLOCK

	LEASE ASSETS				
1	LEASEHOLD LAND	77,243	3,352	-	80,595
	OWNED ASSETS				
2	FACTORY BUILDING	4,221,232	242,819	-	4,464,051
3	OFFICE PREMISES	405,411	25,674	-	431,085
4	PLANT AND EQUIPMENTS	21,420,294	1,229,016	-	22,649,310
5	ELECTRICAL FITTINGS	772,406	19,699	-	792,105
6	FURNITURE AND FIXTURE	567,093	75,610	-	642,703
7	AIR CONDITIONER	131,958	154,229	-	286,187
8	OFFICE EQUIPMENTS	696,511	41,550	-	738,061
9	DIE & MOULD	-	3,045	-	3,045
	Others				
10	SOFTWARE	8,684	47,614	-	56,298
11	EDP EQUIPMENTS	528,976	284,256	-	813,232
	TOTAL OF THIS YEAR	28,829,808	2,126,864	-	30,956,672
	GRAND TOTAL	28,829,808	2,126,864	-	30,956,672
	TOTAL OF THE PREVIOUS YEAR	27,007,844	1,821,964	-	28,829,808

NET BLOCK

		CURRENT YEAR	PREVIOUS YEAR
	LEASE ASSETS		
1	LEASEHOLD LAND	237,991	241,343
	OWNED ASSETS		
2	FACTORY BUILDING	5,688,264	2,105,491
3	OFFICE PREMISES	1,144,017	1,169,691
4	PLANT AND EQUIPMENTS	16,870,659	7,942,118
5	ELECTRICAL FITTINGS	456,454	15,387
6	FURNITURE AND FIXTURE	1,123,964	-
7	AIR CONDITIONER	833,497	227,308
8	OFFICE EQUIPMENTS	136,847	148,321
9	DIE & MOULD	651,783	-
	Others		
10	SOFTWARE	316,672	14,680
11	EDP EQUIPMENTS	1,237,253	535,345
	TOTAL OF THIS YEAR	28,697,401	12,399,684
	GRAND TOTAL	28,697,401	12,399,684
	TOTAL OF THE PREVIOUS YEAR	12,399,684	14,021,978

Note -10B Capital Work In Progress

Building Under Construction	556,100	16,977,588
Machinery Under Installation	16,953,984	20,750,830
	17,510,084	37,728,418

STERLING STRIPS LIMITED

Notes forming part of the financial statements as at 31/03/2013

<u>Non Current Assets</u>			
Note-11	<u>Long Term Loans and Advances</u>	31.03.2013	31.03.2012
		Rupees	Rupees
	1) Deposits with Statutory Authorities		
	Secured Deposits	87,930	87,930
	2) Security Deposits		
	Secured Deposits	1,986,200	1,143,350
	3) Advance to parties (Others)		
	(Unsecured)	5,706,682	5,104,669
	4) Capital Advances		
	Capital Advance	253,858	11,088,567
		<u>8,034,670</u>	<u>17,424,516</u>
Note 12	<u>Other Non Current Assets</u>		
	<u>Long Term Receivables</u>		
	Secured Considered goods	-	-
	Unsecured Considered goods	33,317,816	7,335,457
	Doubtful	439,488	-
		<u>33,757,304</u>	<u>7,335,457</u>
	<u>Current Assets</u>		
Note -13	<u>Inventories</u>		
	(As taken, Valued & Certified by the management)		
	Material, Stores & Components	6,678,280	5,170,503
	Work In Progress	51,880,336	38,461,043
		<u>58,558,616</u>	<u>43,631,546</u>
Note- 14	<u>Trade Receivables</u>		
	<u>Outstanding for a period exceeding six months from the date they are due for payments</u>		
	Secured Considered goods	-	-
	Unsecured Consider goods	733,365	7,011,019
	Doubtful	-	-
	<u>Other Receivables</u>		
	Secured Consider goods	-	-
	Unsecured Consider goods	17,194,613	26,061,570
	Doubtful	-	-
	Due from Private Co. in which director is a director	8,746,700	-
		<u>26,674,676</u>	<u>33,092,587</u>
Note -15	<u>Cash and Cash Equivalents</u>		
	Cash in Hand	56,779	48,840
	<u>Balance with Banks</u>		
	i) In Current Account	79,694	3,206,194
	<u>Other Bank Balances</u>		
	ii) In Fixed Deposit Account	74,508	11,216,110
	(Rs 60,000 In Fixed Deposits Account has maturity of more than 12 Months)		
		<u>210,981</u>	<u>14,471,144</u>
Note- 16	<u>Short Term Loans and Advances</u>		
	Advance to parties (Others)	197,765	1,128,167
	(Unsecured)		
		<u>197,765</u>	<u>1,128,167</u>
Note- 17	<u>Other Current Assets</u>		
	1) Balance with Revenue Authorities	10,458,686	8,780,887
	2) Prepaid Expenses	79,675	10,949
		<u>10,538,361</u>	<u>8,791,836</u>
Note-18	<u>Revenue from Operations</u>		
	1) Sale of Products	41,866,849	150,458,393
	2) Sale of Services	12,170,787	25,101,408
	Excise Duty Collection	4,051,362	8,916,921
	Discount	-272,761	-
	Revenue from Operations	<u>57,816,237</u>	<u>184,476,722</u>
Note-19	<u>Other Income</u>		
	1) Interest Income	678,259	573,388
	2) Sundry Balance Written Off	-	1,957
	3) Rental Income	630,000	-
	4) Profit on Sale of Land	224,373	-
	5) Foreign Exchange Fluctuation	108,287	-
		<u>1,640,919</u>	<u>575,345</u>

STERLING STRIPS LTD

Notes forming part of the financial statements as at 31/03/2013

<u>Note-20</u>	31.03.2013 Rupees	31.03.2012 Rupees
a) <u>Cost of Raw Material consumed</u>		
Stock at commencement		
Materials, Stores & Spares	5,170,503	23,034,053
Material, Stores & Spares Purchases	42,867,982	72,354,414
	<u>48,038,485</u>	<u>95,388,467</u>
Less : Stock at close		
Materials, Stores & Spares	6,678,280	5,170,503
	<u>6,678,280</u>	<u>5,170,503</u>
	<u>41,360,205</u>	<u>90,217,964</u>
Note:- (Stores and spares have not been identified and treated different from Raw material and hence included in the same and not treated as other expenses)		
<u>Note -21</u> Changes in Work in Progress		
Opening Work in Progress	38,461,043	19,842,060
Closing Work In Progress	51,880,336	38,461,043
	<u>(13,419,293)</u>	<u>(18,618,983)</u>
<u>Note -22</u> <u>Employee Benefits Expenses</u>		
Salaries, Wages & Bonus	11,961,545	9,839,454
Employer's Contribution to Prov. Fund	20,172	18,250
Staff Welfare Expenses	258,383	251,368
Directors Remuneration	2,460,000	2,415,000
	<u>14,700,100</u>	<u>12,524,072</u>
<u>Note -23</u> <u>Finance Cost</u>		
Bank Charges	35,680	111,338
Interest Others	3,945	180,147
Foreign Exchange Fluctuation	-	147,593
	<u>39,625</u>	<u>439,078</u>
<u>Note-24</u> <u>Other Expenses</u>		
Designs & Drawing	59,000	2,247,209
Project/Site Expenses	6,757,457	24,215,145
Inspection & Testing Charges	58,627	54,502
Repairs & Maintenance	40,788	90,325
Carriage Inward	410,026	858,523
Power, Fuel & Water Charges	714,768	608,191
Labour Charges	4,617,246	10,821,290
Travelling & Conveyance	1,680,632	1,069,685
Postage & Telephone Expenses	254,881	240,975
Legal & Professional charges	774,100	1,100,240
Printing & Stationary	189,395	213,449
Demat Facility Charges	30,000	32,000
Rates & Taxes- MIDC	32,979	127,129
Insurance Exp.	80,682	27,120
Excise Duty Exp.	8,000	195,299
Octroi Duty	15,503	-
Service Tax GTA (F)	14,929	92,527
Security Charges	46,854	-
Listing Fee	40,185	142,500
Membership & Subscription Charges- MIDC	1,500	3,000
Subscription Charges for Software	54,985	-
Share Registrar Fees	28,061	57,047
Filing Fees	5,710	5,990
Auditors Remuneration	115,000	115,000
Electricity Charges	409,697	115,100
Rent Paid	2,730,830	1,070,600
Lease Tax	18	-
Society Charges	67,851	32,735
Commission and Brokerage Expenses	56,500	170,000
General Expenses	203,857	117,525
Advertisement & Sales promotion	224,124	343,428
Sundry Balance Written off	18,698	6,805
Provision Doubtful Debts	-	44,878
Provision Warranty & Guarantee	-	907,914
	<u>19,720,683</u>	<u>45,126,132</u>

STERLING STRIPS LTD
Notes forming part of the financial statements as at 31/03/2013

Note -25 Earnings Per Share (EPS):	31.03.2013	31.03.2012
Net Loss as per Profit and Loss Account (in Rs)	-8,120,549	7,516,364
Weighted average number of equity shares (par value of ₹.10/- each)	5,096,000	4,346,000
Earnings per share (Face value of ₹.10/- each)- Basic and Diluted (in ₹)	(1.59)	1.73
Net Loss as per Profit & Loss Account (excluding extraordinary item)	(10,027,978)	7,516,364
Weighted average number of equity shares (par value of Rs.10/-)	5,096,000	4,346,000
Earning per share (face value of Rs.10/-each)Basic and Diluted	(1.97)	1.73

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. 24,60,000/- (Pr. Yr. Rs. 24,15,000/-) towards remuneration to Directors.

Mr. S. Venkata Subramanian
Mr. Deepak S. Shah
Mr. Dinesh Kumar Agarwal

Chairman
Managing Director
Executive Director

Rs.
9,00,000/-
8,40,000/-
7,20,000/-

B) Remuneration provided for Auditors :-

Particular	(Rs.)	
	2012- 2013	2011- 2012
Statutory Audit Fees	60000	60000
Tax Audit Fees	30000	30000
VAT Audit Fees	25000	25000
Tax Matters	-	-
Service tax	-	-
Total	1,15,000	1,15,000

C) LICENCED AND INSTALLED CAPACITY

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

CLASS OF GOODS	UNIT Q.T.Y.	PRODUCTION Q.T.Y.	SALE Q.T.Y.	TURNOVER AMOUNT IN RS.
Industrial Boilers	Nos.	---	---	620,000
		(1)	(1)	
M.S. Pipe	M.T.	---	---	---
Other Manufactured Products	Unidentified	---	---	38,970,863
	(Unidentified)	---	---	(96,177,868)
Resale of goods accessories & spares (Unidentified)	Unidentified	---	---	2,003,425
	(Unidentified)	---	---	(54,280,526)
Job Work				12,170,787
				(25,101,407)
Total				53,764,875
(Figure in the bracket pertains to previous year)				(175,559,801)

STERLING STRIPS LTD
Notes forming part of the financial statements as at 31/03/2013

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	51,70,503
	-2,30,34,053
Purchases	4,28,67,982
	-7,23,54,414
Closing Stock	66,78,280
	-51,70,503
Stock W/o	(---)
Consumption	4,13,60,205
	-9,02,17,964
(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 st March, 2013		For the year ended on 31 st March, 2012	
	Rupees	% of total consumption	Rupees	% of total consumption
Imported	1,38,32,661	31.80%	24,33,595	2.24%
Indigenous	2,99,40,709	68.40%	10,62,37,942	97.76%
Total	4,37,73,370	100.00%	10,87,07,537	100.00%

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

	Current Year	Previous Year
Earning in Foreign Currency	2,49,188	46,092,644
F.O.B	(---)	(---)
Foreign Exchange Outflow	41,65,174	1,09,97,309

NOTE :29A - Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" notified under companies (accounting standard rules, 2006, (as amended) and relevant provisions of companies act 1956.

(I) Names of related parties and description of relationship:

Related Party	Nature of relationship
SG SAW Pipes and Tubes Pvt. Ltd	Associates/ Enterprises over which directors and/or their relatives has significant influence
Mr. S. Venkata Subramanian	Key Management Personnel Relatives of Key Management Personnel
Mr. Deepakkumar Shah	

Note : Related party relationships have been identified by management and relied upon by the Auditors

(II) Material Transaction with Related Parties.

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
Sales of Goods	1,40,00,000.00		
	(0.00)		
Loans / Advances accepted		1,46,34,500.00	
		(52,67,000.00)	
Loans/Advances repaid		49,53,436.00	
		(50,54,726.00)	

Note : Previous year's figures in Brackets

For and on behalf of the Board of Directors

In terms of our report attached

For D. C. Bothra & Co.
Chartered Accountants

(Seema Raison) M. No.107730
Partner

Place : Mumbai
Date : 30.05.2013

Deepakkumar Shah
Managing Director

Dinesh Kumar Agarwal
Executive Director &
Company Secretary

STERLING STRIPS LTD
Notes forming part of the financial statements
Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(10,027,978)		7,516,364
<u>Adjustments for:</u>				
Depreciation and amortisation	2,126,864		1,821,964	
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	39,625		439,078	
Interest income	(678,259)		(573,388)	
Dividend income				
Net (gain) / loss on sale of investments				
Rental income from investment properties	(630,000)			
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 And Advances	0		44,878	
Provision for estimated loss on derivatives				
Provision for warranty			907,914	
Provision for estimated losses on onerous contracts				
Provision for contingencies				
Other non-cash charges (specify)				
Net unrealised exchange (gain) / loss	(108,287)			
	749,943		2,640,446	
Operating profit / (loss) before working capital changes		(9,278,035)		10,156,810
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(14,927,070)		(755,433)	
Trade receivables	(6,417,911)		(17,908,222)	
Short-term loans and advances	930,402		12,176,641	
Long-term loans and advances	9,389,846		(16,775,254)	
Other current assets	(1,746,524)		(2,435,282)	
Other non-current assets	(28,421,847)		(7,335,457)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(11,280,792)		(18,903,731)	
Other current liabilities	(35,875,559)		27,296,862	
Other long-term liabilities	55,081,329		26,836,876	
Short-term provisions	(1,308,991)		-	
Long-term provisions	-		-	
	(19,741,295)		2,196,999	
Cash flow from extraordinary items		(29,019,331)		12,353,809
		1,308,991		0
Cash generated from operations		(27,710,340)		12,353,809
Net income tax (paid) / refunds				622,334
Net cash flow from / (used in) operating activities (A)		(27,710,340)		12,976,143

STERLING STRIPS LTD
Notes forming part of the financial statements
Cash Flow Statement for the year ended 31 March, 2013 (Contd.)

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Rupees	Rupees	Rupees	Rupees
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	1,793,753		(4,927,861)	
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	678,259		573,388	
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Rental income from investment properties	630,000			
Rental income from operating leases				
Amounts received from partnership firms				
Amounts received from AOPs				
Amounts received from LLPs				
	3,102,012		(4,354,473)	
Cash flow from extraordinary items		598,438		
		3,700,450		(4,354,473)
Net income tax (paid) / refunds		0		0
Net cash flow from / (used in) investing activities (B)		3,700,450		(4,354,473)

STERLING STRIPS LIMITED
Notes forming part of the financial statements
Cash Flow Statement for the year ended 31 March, 2013 (Contd.)

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Rupees	Rupees	Rupees	Rupees
C. Cash flow from financing activities				
Proceeds from issue of equity shares	0		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	9,681,064		(4,307,726)	
Net increase / (decrease) in working capital borrowings				
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost	(68,662)		(439,078)	
Dividends paid				
Tax on dividend				
	9,749,726		5,253,196	
Cash flow from extraordinary items		0		0
Net cash flow from / (used in) financing activities (C)		9,749,726		5,253,196
Net Increase / (decrease) In Cash and cash equivalents (A+B+C)		(14,260,164)		13,874,864
Cash and cash equivalents at the beginning of the year		14,471,144		596,279
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year		210,980		14,471,143
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		136,473		3,255,034
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		0		0
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		136,473		3,255,034
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		74,508		11,216,110
Cash and cash equivalents at the end of the year *		210,981		14,471,144
* 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:30.05.2013

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATENDANCE 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-Eight Annual General Meeting of the Company held at the Registered Office at A-8/4, MIDC, Murbad – 421 401 at 4 p.m. on 26th September 2013

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-Eight – 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 26th September 2013 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.**