



25TH ANNUAL REPORT 2009 - 2010



STERLING STRIPS LIMITED



BOARD OF DIRECTORS

S VENKATA SUBRAMANIAN
DIPAKKUMAR SHAH
RAJALAKSHMI VENKAT
MUKUND GOPAL GHARPURE
RAJESH ULHAS DESHPANDE
BAKUL SHAH
DINESH KUMAR AGARWAL

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

BANKERS

ICICI BANK LTD.
CANARA 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

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

SHARE TRANSFER AGENT & REGISTRAR

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

NOTICE

Notice is hereby given that the Twenty Fifth 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 12th August 2010 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, 2010 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. Rajesh Ulhas Deshpande, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Bakul Shah who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

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 appointment of Mr. S. Venkata Subramanian, as Whole-Time-Director of the Company for a period of five years w.e.f. 1st April, 2010 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 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 appointment of Mr. Dipakkumar Shah, as non retiring Managing Director of the Company for a period of five years w.e.f. 1st April, 2010 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 appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Dipakkumar 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. Dipakkumar 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 an **ORDINARY RESOLUTION**: "RESOLVED THAT Mr. Dinesh Kumar Agarwal, who was appointed as Additional Director of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice of intention u/s 257 of the Companies Act, 1956 from a shareholder signifying his intention of proposing name of Mr. Dinesh Kumar Agarwal for appointment as Director, be and is hereby appointed as Director of the Company, whose term of office shall be liable to be determined to retire by rotation as per the provision of Companies Act, 1956 and Articles of Association of the Company."
8. 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 appointment of Mr. Dinesh Kumar Agarwal, as Whole-Time-Director of the Company for a period of five years w.e.f. 27th May, 2010 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 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."

Regd. Off : A 8/4 MIDC, MURBAD
THANE - 421 401.

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

PLACE : MUMBAI
DATE : 27.05.2010

DIPAKKUMAR 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 Register of Members and Share Transfer Books of the Company shall remain closed from 9th August, 2010 to 12th August, 2010 (Both days inclusive)
3. The explanatory statement as required under section 173(2) of the Companies Act, 1956, in relation to the Special Business of the meeting is annexed hereto.
4. Members are requested to notify immediately, any change in address, to the Company at it's corporate office. Any communication with the company will be greatly facilitated if registered folio No. of DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be is quoted.
5. Members / Proxies should bring their attendance slip duly filled for attending the meeting.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No. 5

The Board of Directors at its meeting held on 27th May, 2010 have appointed Mr. S. Venkata Subramanian, as Whole-Time-Director of the Company w.e.f. 1st April, 2010, for a period of five years. This appointment is subject to approval of shareholders at this meeting.

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

1. Period of appointment : - five years
2. Remuneration (Effective 1st April, 2010)
 - (a) Salary : Salary of Rs. 75,000/- (Rs. Seventy-five thousand only) per month.
 - (b) Perquisites:

PART - A

- (i) The Company shall reimburse the Whole-Time-Director medical expenses for self and family, subject to a ceiling of one month's salary in a year or Two months salary in a block of Two years.
- (ii) The Company shall reimburse to the Whole-Time-Director actual travelling expenses for proceeding on leave from Mumbai to any place in India or abroad and returning there from once in a year for self and family, subject to a ceiling of one month's salary.

PART - B

- (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 subject to a ceiling of Rs. 10,00,000/-

PART - C

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.
6. 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. Leave accumulated but not availed of shall not be allowed to be encashed.

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 27th May, 2010 have appointed Mr. Dipakkumar Shah, as Managing Director of the Company w.e.f. 1st April, 2010, for a period of five years. This appointment is subject to approval of shareholders at this meeting.

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

1. Period of appointment : - five years
2. Remuneration (Effective 1st April, 2010)
 - (c) Salary : Salary of Rs. 70,000/- (Rs. Seventy thousand only) per month.
 - (d) Perquisites:

PART - A

- (iii) The Company shall reimburse the Managing Director medical expenses for self and family, subject to a ceiling of one month's salary in a year or Two months salary in a block of Two years.
- (iv) The Company shall reimburse to the Managing Director actual travelling expenses for proceeding on leave from Mumbai to any place in India or abroad and returning there from once in a year for self and family, subject to a ceiling of one month's salary.

PART - B

- (iii) 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.

- (iv) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs. 10,00,000/-

PART - C

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.
6. The Managing Director shall be entitled to leave, on full pay allowance, at the rate of one month for every eleven months of service. Leave accumulated but not availed of shall not be allowed to be encashed.

Minimum Remuneration

In the absence of inadequacy of profits in any financial year Mr. Dipakkumar 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. Dipakkumar Shah.

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

Your Directors recommend the resolution for your approval.

Item No. 7 & 8

The Board of Directors appointed Mr. Dinesh Kumar Agarwal as Additional Director of the Company on 27th May, 2010 in terms of Articles of Association of the Company and Section 260 of the Companies Act, 1956. He holds office up-to the conclusion of 25th Annual General Meeting. A notice has been received from a shareholder under Section 257 of the Companies Act, 1956 signifying his intention of proposing the name of Mr. Dinesh Kumar Agarwal as Director of the Company liable to retire by rotation.

Mr. Dinesh Kumar Agarwal, aged 36 years is A.C.A & A.C.S by qualification, has joined the Company as V.P. Finance in May, 2005. He has been appointed as Company Secretary on 13.05.2006. Your Board of Directors feel that his rich knowledge & experience shall be highly beneficial to the Company and hence the Board of Directors at its meeting held on 27th May, 2010 have appointed Mr. Dinesh Kumar Agarwal, as Whole-Time-Director of the Company w.e.f. 27th May, 2010, for a period of five years. This appointment is subject to approval of shareholders at this meeting.

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

1. Period of appointment : - five years
2. Remuneration (Effective 27th May, 2010)
 - (e) Salary : Salary of Rs. 60,000/- (Rs. Sixty thousand only) per month.
 - (f) Perquisites:
 - PART - A
 - (v) The Company shall reimburse the Whole-Time-Director medical expenses for self and family, subject to a ceiling of one month's salary in a year or Two months salary in a block of Two years.
 - (vi) The Company shall reimburse to the Whole-Time-Director actual travelling expenses for proceeding on leave from Mumbai to any place in India or abroad and returning there from once in a year for self and family, subject to a ceiling of one month's salary.
 - PART - B
 - (v) 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.
 - (vi) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs. 10,00,000/-
 - PART - C

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.
6. 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. Leave accumulated but not availed of shall not be allowed to be encashed.

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.

Additional Information

Mr. S. Venkata Subramanian, Chairman of the Board, aged 54, appointed as Whole-Time-Director in Board Meeting dated 27.05.2010 subject to approval of shareholders at the ensuing Annual General Meeting. He is a self starter in business. His expertise to provide tailor made solution to industry in energy and related area would be most beneficial to the progress of the company.

Mr. Dipakkumar Shah, aged 50, BSc by qualification, appointed as Managing Director w.e.f. 01.04.2010 for a period of 5 years subject to approval of shareholders at the ensuing Annual General Meeting. He has experience of more than 2 decades in the field of marketing & cost control. His expertise would be most beneficial to the progress of the company.

Mrs. Rajalakshmi Venkat, aged 51 years, Non Executive Director on the Board has resigned w.e.f 27th May, 2010.

Mr. Rajesh Ulhas Deshpande, aged 38 years, Independent Director on the Board is retiring by rotation and seeks reappointment. He is a B-Tech (Chemical Engineer) and MMS by qualification. He has vast experience in energy conservation and business management consultancy. The Board is of the opinion that being an expert in the field of energy conservation and business management, his association would be most beneficial to the progress of the company.

Mr. Bakul Shah, aged 50 years, Independent Director on the Board is retiring by rotation and seeks reappointment. He is Chartered Accountant by qualification. He has vast experience in the field of finance & accounts for more than 2 decades. Board is of the opinion that his association would be most beneficial to the progress of the company.

Mr. Dinesh Kumar Agarwal, aged 36 years, appointed as Whole-Time-Director w.e.f. 27.05.2010 for a period of 5 years subject to approval of shareholders at the ensuing Annual General Meeting. He is A.C.A. & A.C.S. by qualification. His expertise in the field of finance would be most beneficial to the progress of the company.

DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2010 and Auditors Report thereon.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	2009-10	2008-09
Sales & Other Income	732.04	583.70
Profit/(Loss) Before Interest & Depreciation	89.48	77.14
Less: Interest & Finance Charges	0.24	0.51
Profit/(Loss) Before Depreciation	89.24	76.63
Less: Depreciation	17.31	16.87
Profit/ (Loss) Before Tax	71.93	59.76
Less : Provision for Tax	0.00	0.66
Profit/ (Loss) After Tax	71.93	59.10
Add: Balance brought forward	(558.95)	(618.05)
Balance carried to Balance Sheet	(487.02)	(558.95)

DIVIDEND

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

OPERATION

The Company has recorded a turnover of Rs. 724.84 Lacs excluding the other income against turnover in the previous year of Rs. 583.14 Lacs. Further the Company has made a profit before tax of Rs 71.93 Lacs for the year ended 31st March 2010 as against a profit of Rs 59.76 Lacs during the previous year ended 31st March 2009. Company has been declared sick in BIFR's hearing dated 10.08.2009. State Bank of India, Mumbai has been appointed as operating agency and draft rehabilitation scheme has been submitted to BIFR.

BUSINESS PROSPECTS

The Company is slowly progressing on it's revival path by generating profit for last six years, after a continuous period of loss for seven years and is inching surely and steadily towards it's revival. Revenues of the Company has increased for the year ended on 31.03.2010 in comparison to year ended on 31.03.2009, and in view of positive outlook Company is confident to maintain the growth for coming years. Company has received numbers of enquiries and is putting all it's efforts to convert those enquiries in orders. Focused attention on the company's expertise in engineering and system integration, resulted in generation of a number of enquires. The company however is selecting it's orders depending upon the suitability of it's resources. The company has executed orders on Engineering Procurement & Constructions (EPC) basis for prestigious clients. The company is actively exploring avenues for enhancing it's turnover and profit in the forthcoming years.

FIXED DEPOSITS

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

DIRECTORS

Mr. Bakul Shah and Mr. Rajesh Ulhas Deshpande retires by rotation & being eligible offers themselves for re-appointment.

Mrs. Rajalakshmi Venkat resigned from Board w.e.f 27.05.2010. Board place on record it's appreciation on the contribution made by Mrs. Rajalakshmi Venkat during her tenure.

Mr. Dipakkumar Sah has been appointed as Managing Director for a period of five years w.e.f 01.04.2010. subject to approval of shareholders at ensuing Annual General Meeting.

Mr. S. Venkata Subramanian has been appointed as Whole-Time-Director for a period of five years w.e.f 01.04.2010. subject to approval of shareholders at ensuing Annual General Meeting.

Mr. Dinesh Kumar Agarwal has been appointed as Whole-Time-Director for a period of five years w.e.f 27.05.2010. subject to approval of shareholders at ensuing Annual General Meeting.

AUDITORS

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

AUDITORS REPORT

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

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

In the preparation of annual accounts for the year ended 31st March 2010, 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 2010.

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

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

PERSONNEL

The relation with the employees of the company continued to be cordial throughout the year under report.

None of the employees has been paid remuneration above the amount prescribed under Section 217 (2A) of the Companies Act, 1956.

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

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

DIPAKKUMAR SHAH
MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 27.05.2010

ANNEXURE TO DIRECTORS REPORT

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

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

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

b) Additional investments & proposals, if any:

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

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

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

d) Total Energy Consumption & Energy:

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

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

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

D. Foreign Exchange Outgo : Rs. 57,34,291/- (NIL)

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

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

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

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

3. Further plan of action:

- To carry out further product development & technology upgradation.

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 : 27.05.2010

PLACE : MUMBAI

DIPAKKUMAR SHAH
MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

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

CORPORATE PHILOSOPHY :

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

2. **BOARD OF DIRECTORS :**

During the financial year 4 Board meetings were held on 10th June 2009, 30th July 2009, 29th October 2009 & 29th January 2010. The composition of Board & attendance of each Director at the Board meetings and the last Annual General Meeting are as under:

Name of the Directors	Category	No. of Attendance at the Board Meeting	Whether Attending Last AGM	Membership on Board of other Companies
Mr. S. Venkata Subramanian	Executive Chairman	4	Yes	-
Mr. Dipakkumar Shah	Managing Director	4	Yes	-
Mrs. Rajalakshmi Venkat	Non Executive Director	4	Yes	-
Mr. Rajesh Ulhas Deshpande	Independent Director	4	Yes	1
Mr. Mukand Gopal Gharapure	Independent Director	4	Yes	4
Mr. Bakul Shah	Independent Director	4	Yes	-
Mr. Dinesh Kumar Agarwal	Executive Director	N.A.	N.A.	-

Mr. S Venkata Subramanian, aged 54, Chairman appointed as Whole-Time-Director w.e.f. 01.04.2010 for a period of 5 years subject to approval of shareholders at the ensuing Annual General Meeting. His expertise to provide tailor made solution to industry in energy and related area would be most beneficial to the progress of the company.

Mr. Dipakkumar Shah, aged 50, appointed as Managing Director w.e.f. 01.04.2010 for a period of 5 years subject to approval of shareholders at the ensuing Annual General Meeting. He has experience of more than 2 decades in the field of marketing & cost control. His expertise would be most beneficial to the progress of the company.

Mrs. Rajalakshmi Venkat, aged 51 years, Non Executive Director on the Board has resigned w.e.f. 27th May, 2010.

Mr. Rajesh Ulhas Deshpande, aged 38 years, Independent Director on the Board is retiring by rotation and seeks reappointment. He is a B-Tech (Chemical Engineer) and MMS by qualification. He has vast experience in energy conservation and business management consultancy. The Board is of the opinion that being an expert in the field of energy conservation and business management, his association would be most beneficial to the progress of the company.

Mr. Bakul Shah, aged 50 years, Independent Director on the Board is retiring by rotation and seeks reappointment. He is Chartered Accountant by qualification. He has vast experience in the field of finance & accounts for more than 2 decades. Board is of the opinion that his association would be most beneficial to the progress of the company.

Mr. Dinesh Kumar Agarwal, aged 36 years, appointed as Whole-Time-Director w.e.f. 27.05.2010 for a period of 5 years subject to approval of shareholders at the ensuing Annual General Meeting. He is A.C.A. & A.C.S. by qualification. His expertise in the field of finance would be most beneficial to the progress of the company.

BOARD PROCEDURE

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

3. **AUDIT COMMITTEE:**

The audit committee consists of Shri. Bakul Shah, Mr. Rajesh Ulhas Deshpande and Mrs. Rajalakshmi Venkat, to oversee the company's financial reporting & adequacy of internal control functioning. Mrs. Rajalakshmi Venkat has resigned w.e.f. 27th May, 2010 and Dr. M. G. Gharpure has joined as member of Audit Committee w.e.f. 27.05.2010. Mr. Dinesh Kumar Agarwal, Company Secretary acts as secretary to the committee. Four Audit Committee meetings were held on 10th June 2009, 30th July 2009, 29th October 2009 & 29th January 2010 during the financial year ended 31st March 2010. Apart from the members, Managing Director and other Financial Executives of the Company also attended the meeting on invitation. The terms of reference were to review the periodical financial statement of the company and to ensure compliance of the internal control system, apart from investigating into any matter as may be referred to it by the Board.

4. **REMUNERATION COMMITTEE:**

The Company formed Remuneration Committee during the year to review and recommend payment on annual salaries, commission, service agreements and other employment conditions of the Executive Directors. The Committee fixes the remuneration after taking in to consideration remuneration practices followed by companies of similar sizes and standing in the industry. The Committee periodically reviews and recommends suitable revision in remuneration package of the Executive Directors to the Board. All the members of the Committee are Non-Executive and have sound knowledge of management practices. Chairman of the Committee is Mr. Rajesh Ulhas Deshpande is Non-Executive Independent Director nominated by Board. The power and role of the Remuneration Committee is as per guidelines set out in Listing Agreement.

During the year two meetings of the Remuneration committee were held on 10th June 2009 & 29th October 2009.

The Executive Directors are paid fixed remuneration as approved by the Board, Shareholders & Government authorities as may be necessary. No sitting fee is payable to Executive Directors of the Company.

The details of remuneration paid to Executive Directors during the financial year 2009 - 10 is as follows.

Name of the Director	Remuneration
Mr. S. Venkata Subramanian	8,65,000/-
Mr. Dipakkumar Shah	8,05,000/-
Mr. Dinesh Kumar Agarwal*	6,25,000/-

* Mr. Dinesh Kumar Agarwal has been appointed as Executive Director w.e.f. 27.05.2010 subject to approval in shareholders meeting. None of the Non-Executive Directors is holding any shares in the Company.

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

The Composition of Shareholder's / Investor's Grievance Committee as at March 31, 2010 is as under:

Name of the Director	Category
Mrs. Rajalakshmi Venkat*	Non Executive
Mr. Rajesh Ulhas Deshpande	Independent Director
Mr. Mukand Gopal Gharapure	Independent Director

* Mrs. Rajalakshmi Venkat has resigned w.e.f. 27.05.2010 and Mr. Bakul Shah Non-Executive Independent Director has been inducted into the committee.

REFERENCE:

The gist of terms of reference is as follows:

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

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

Total Number of complaints received and redressed during the year

6 Nos.

Complaint pending redressal as on 31.03.2010

NIL

6. GENERAL MEETINGS:

The Previous Three Annual General Meetings were held as under:

Date	Venue	Time	No. of Special Resolution passed
27th September 2007	Registered Office of the company A- 8/4, MIDC, Murbad, Thane	4.00 P.M.	-
27th September 2008	Registered Office of the company A- 8/4, MIDC, Murbad, Thane.	4.00 P.M.	-
26th September 2009	Registered Office of the company A- 8/4, MIDC, Murbad, Thane.	4.00 P.M.	-

No resolution has so far been passed by postal ballot.

7. DISCLOSURE:

- 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. During the year Company has paid Rs. 3,20,000/- as reinstatement penalty (revocation fee) to Mumbai Stock Exchange.

8. MEANS OF COMMUNICATION:

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

9. GENERAL INFORMATION

25th AGM	:	At A - 8/4, MIDC, Murbad, Thane. The Registered Office of the company.
Day, Date & Time	:	Thursday, 12 th August, 2010 at 4.00 P.M.
Financial Year	:	2009 - 10.
Book Closure	:	9th August, 2010 to 12 th August, 2010.
Registrar & Share Transfer Agent	:	M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.
Dematerialisation of Share	:	CDSL & NSDL ISIN INE067E01013
Plant Location	:	A-8/4, MIDC INDUSTRIAL AREA, MURBAD, DIST. THANE, MAHARASHTRA 421 401.
Address for Correspondence	:	2/10, Meghal Industrial Estate, Devidayal Road, Mulund (W), Mumbai 400 080. Tel. 2560 55 88 Fax 2591 6496 E-mail : sterlingstrips84@gmail.com

10. STOCK MARKET DATA

Stock Code at BSE- 513575.

Trading in the securities of the Company has restarted on Bombay Stock Exchange Ltd. from 29th October, 2009. Monthly Trading data for the year are as under:

MONTH	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume
October, 09	25.00	5.06	18.06	52,100
November, 09	17.15	8.60	8.60	1,900
December, 09	8.18	6.09	7.43	23,700
January, 10	8.10	6.90	6.90	18,200
February, 10	9.40	6.90	8.50	2,400
March, 10	8.38	6.59	6.87	14,300

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

a. Details of shareholding as on March 31ST, 2010

CATEGORY	NO. OF SHARES	PERCENTAGE OF SHAREHOLDING
Promoters Group	21,83,000	53.30
Banks, Financial Institution	7,900	0.19
Private Corporate Bodies	48,000	1.17
Indian Public	16,96,027	41.41
NRI	1,60,400	3.92
Clearing Member	673	0.01

b. Distribution of shareholding as on March 31, 2010

Nominal Value of Equity Shares	No. of Shareholders	% of Total Shareholders	Total holding in Rupees	%
1 to 5000	4,727	90.78	8518000.00	20.80
5001 to 10000	247	4.74	2164730.00	5.29
10001 to 20000	83	1.60	1237270.00	3.02
20001 to 30000	73	1.40	1839000.00	4.49
30001 to 40000	7	0.13	267000.00	0.65
40001 to 50000	14	0.27	688000.00	1.68
50001 to 100000	15	0.29	1140000.00	2.78
100001 to above	41	0.79	25106000.00	61.29
Total	5,207	100.00	40960000.00	100.00

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, 2010

For & On Behalf of the Board

DATE : 27.05.2010
PLACE : MUMBAI

DIPAKKUMAR 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 2010, 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 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 : 27.05.2010
PLACE : MUMBAI

(PAWAN BOTHRA)
PARTNER
Membership No. 31215

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Industry Structure & Development

Efforts made by Government since global meltdown and world wide recession, by way of stimulus package in form of concession in excise duty, high government expenditure to boost demand and focused attention on development of infrastructure yield good resulted and economy is back on expected 8% and above growth track. Corporate houses who have held up their expansion plans have started execution of expansion plans resulting in higher demand. European crisis again creating a doubt about the economic recovery, and may be a matter of concern for industries depending on export to European countries. However India's strength lies in it's inherent critical mass and self consumption, which is expected to fuel growth of coming years. Job cuts has become history and corporate houses have started announcing bonuses and perks to retain key talent. Increase in industrial output and expansion demands paving way for growth of the capital goods/ engineering industry (of which the company is a part) in forthcoming years.

Opportunities & Threats

Company has focused on optimum utilization of it's resources and building on it's strength of engineering expertise. Company is in the process of establishing itself as a key player in the field of execution of projects on Engineering Procurement & Construction (EPC) basis. Expansion plans of Industrial houses especially in steel & power sectors will provide huge opportunities for the company. The company's expertise to provide the industry tailor-made solutions as per the specific need of the industry, is expected to bring new areas of opportunity for the company. Increase in raw material prices such as steel and having/retaining suitable manpower is an area of concern and may have adverse impact on the growth.

Product wise performance

Execution of projects on Engineering, Procurement & Construction (EPC) basis resulted in opening a new area of opportunities for the company. During the year Company executed projects on EPC basis in steel & power sector. Fabrication of heavy industrial equipment on job work basis is another area of revenue generations for the Company.

Outlook

Increase in industrial output and demand paves ways for expansion plans of industrial houses. Capital goods/engineering industry will witness a sharp growth in coming years in view of economic recovery & growth. Thrust on investment in power sector is creating new area of opportunities for company in view of company's engineering expertise and penetration already made by the company in this sector. With judicious utilization of it's experienced manpower, it is expected to generate a number of enquiries for the company. Considering the numbers of enquires and anticipated orders, it appears that the performance of the company will witness satisfactory growth in the current year.

Risk and concern

European crisis is creating a doubt about the economic recovery. Withdrawal of stimulation package by Government may affect industrial investment and 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.

Internal Control System and their adequacy

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

Financial Performance

Please refer to the Director's Report

Material Development in Human Resources / Industrial Relations

The company possessed good quality of human resources. Employees/Industrial relations are harmonious. The Board wishes to place on record it's appreciation for the sustained efforts and devoted contribution made by all the employees for its success. Mrs. Rajalakshmi Venkat resigned from the Board w.e.f. 27th May, 2010. The Board wishes to place on record it's appreciation for her contribution towards company during her tenure.

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, 2010, and the Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of books and records as we considered appropriate and in terms of explanations given to us we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. On the basis of representation received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Directors under Section 274(1)(g) of Companies Act, 1956.
5.
 - i. The job card maintained by the company for manufacturing work carried out do not provide the full details of materials received, consumed and direct overheads incurred on the respective jobs.
 - ii. Total debts shown by the company at Rs.413.31 lacs (P.Y. 343.80 lacs) consists of debts outstanding for more than 3 years at Rs.227.58 lacs (P.Y. Rs. 195.46 Lacs), which in our opinion is bad & doubtful of recovery. Debts which are outstanding within 3 years are also substantially stagnant irrecoverable & unconfirmed. No provision is made by the company in this regard.
 - iii. Payments received, made and adjusted in the parties accounts consisting debtors, creditors, loans, advances, deposits, allotment money and calls in arrear 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..
 - iv. Company is subject to interest liability on unpaid statutory dues and on other dues same has neither been paid nor provided or quantified.
 - v. Loans & Advances to and from suppliers, others, sundry debtors, sundry creditors for goods & expenses are unconfirmed and in our opinion substantially unrealisable/payable.
 - vi. Neither provision have been made towards unexpired period of guarantee & warranty extended to the customers or for uncompleted jobs for orders executed during the year, nor the cost required to be incurred in this regard have been ascertained.
 - vii. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year and together with interest paid / payable under this Act have not been given.
 - viii. We are unable to quantify the effect of above facts in sub para (i) to (vii) 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 31st March, 2010.

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, 2010 and,
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on 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

(PAWAN BOTHRA M. NO. 31215)
PARTNER

PLACE : MUMBAI
DATE : 27.05.10

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 which is required to be updated.
- b. Management has informed that they verified fixed assets and no material discrepancy was noticed by them, which requires any adjustment in accounts.
- c. Substantial part of fixed assets have not been disposed off during the year, therefore there is no effect of this on concept of going concern.
- 2 a. As informed to us, the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals.
- b. On the basis of information and explanations furnished to us, in our opinion the procedures of physical verification of stocks followed by the management, wherever it is carried out, are reasonable in relation to the size of the Company and the nature of its business, however, the same is required to be further strengthened.
- c. As informed to us, no major discrepancies have been noticed by the management on their physical verification of stock as compared to the book records and the same is properly accounted.
- 3 a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- b. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
4. 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, 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.
7. The Company was not having any formal internal audit system during the year under audit.
8. Maintenance of cost records for the manufacturing activities of the Company has not been prescribed by the Central Government under Section 209 (1) (d) Companies Act, 1956.
- 9 a. Most of the undisputed statutory dues including Provident Fund, 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	Provident Fund	Investor Education & Protection Fund	Income Tax	CST	BST	VAT	TDS Payable	Service Tax
2007-08					1,28,175				
2006-07							2,70,911		37,200
2005-06	-				1,37,468	-	26,064		
2004-05	-				6,29,523	-	-		
2003-04	-	21,369			5,827	-	-		
2002-03	-	35,622			-	-	-		
2001-02	-	14,698	Amount not ascertainable		-	-	-		
2000-01	-	13,424			-	-	-		
1999-00	-	54,205			-	-	-		
1998-99	19,812	52,823		7,79,715	87,431	6,666	-		
1997-98	39,624				-	-	-	99,196	
1996-97	-				-	-	-	1,72,111	
TOTAL	59,436	1,92,141		7,79,715	9,88,424	6,666	2,96,975	2,71,307	37,200

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 disputes 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) 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. 4,87,01,774 (previous year Rs 5,58,94,764/-). The company has not incurred any cash losses during the year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has arrived at a settlement of its dues with Kotak Mahindra Bank and after payment of settlement amount obtained No Dues Certificate from them, (State Bank of Travancore, the Lead Bank, having assigned their rights in the company's account to Kotak Mahindra Bank Ltd.) and State Bank of Indore. The Company has paid settlement amount to State Bank of Indore and obtained No Dues Certificate from them. In respect of settlement with Kotak Mahindra Bank Ltd, all due payment of the settlement amount has been made during the year.
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. No long term funds have been raised during the year.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares.
19. According to the information and explanations given to us, the Company has not issued any debentures.
20. The Company has not raised money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

(PAWAN BOTHRA M. NO. 31215)
PARTNER

STERLING STRIPS LIMITED
BALANCE SHEET AS ON 31ST MARCH 2010

	Schedule	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	'A'	40,960,000	40,801,500
Reserves & Surplus	'B'	<u>23,255,173</u>	<u>12,455,173</u>
		<u>64,215,173</u>	<u>53,256,673</u>
LOAN FUNDS			
Secured Loan	'C'	-	24,982,048
Unsecured loan	'D'	<u>24,481,488</u>	<u>26,311,488</u>
		<u>24,481,488</u>	<u>51,293,536</u>
		<u>88,696,661</u>	<u>104,550,209</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'E'	39,265,879	38,333,246
Less : Depreciation		<u>25,249,902</u>	<u>23,519,284</u>
Net Block		14,015,977	14,813,962
Add : Capital work in progress		<u>20,281,972</u>	<u>2,269,723</u>
Net Fixed Assets		<u>34,297,949</u>	<u>17,083,685</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		6,292,992	3,907,683
Sundry Debtors		41,330,525	34,380,195
Cash & Bank Balances		686,679	332,580
Loans & Advances		<u>10,490,244</u>	<u>14,455,991</u>
	'F'	<u>58,800,439</u>	<u>53,076,448</u>
Less : Current Liabilities		51,931,454	20,332,641
Provision		1,172,046	1,172,046
Net Current Assets	'G'	<u>53,103,500</u>	<u>21,504,687</u>
		5,696,939	31,571,761
PROFIT & LOSS ACCOUNT		<u>(48,701,774)</u>	<u>(55,894,764)</u>
Notes Forming Part of the Accounts		<u>88,696,661</u>	<u>104,550,209</u>
	'N'		

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

FOR & ON BEHALF OF THE BOARD

(PAWAN BOTHRA M. NO. 31215)
PARTNER

DIPAKKUMAR SHAH
MANAGING DIRECTOR

DINESH K. AGARWAL
DIRECTOR

PLACE : MUMBAI
DATED : 27.05.2010

STERLING STRIPS LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2010

	Schedule	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
INCOME			
Sales, Work Bills & Services		77,597,511	62,425,019
Less : Central Excise		5,113,260	4,110,867
		<u>72,484,251</u>	<u>58,314,152</u>
Other Income	'H'	719,258	56,000
		<u>73,203,509</u>	<u>58,370,152</u>
EXPENDITURE			
Rawmaterial Consumed & Purchases	'I'	40,241,977	36,216,023
Manufacturing Expenses	'J'	12,319,340	5,047,063
Employees Remuneration & Benefits	'K'	8,408,583	6,904,476
Other Expenses	'L'	3,285,609	2,488,256
Interest & Finance Charges	'M'	24,393	50,900
Depreciation		1,730,618	1,687,131
		<u>66,010,519</u>	<u>52,393,849</u>
PROFIT/(LOSS) BEFORE TAX		7,192,990	5,976,303
PROVISION FOR TAX			
Frieng benefit Tax		-	65,743
PROFIT/(LOSS) AFTER TAX		7,192,990	5,910,560
Add : Balance brought forward		(55,894,764)	(61,805,324)
BALANCE CARRIED FORWARD		<u>(48,701,774)</u>	<u>(55,894,764)</u>
Notes Forming Part of the Accounts	'N'		

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

FOR & ON BEHALF OF THE BOARD

(PAWAN BOTHRA M. NO. 31215)
PARTNER

DIPAKKUMAR SHAH
MANAGING DIRECTOR

DINESH K. AGARWAL
DIRECTOR

PLACE : MUMBAI
DATED : 27.05.2010

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2010

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
A. SHARE CAPITAL		
AUTHORISED		
5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
ISSUED SUBSCRIBED AND PAID UP		
4096000 Equity Shares of Rs.10/-each fully paid	40,960,000	40,960,000
Less : Allotment in Arrears	-	158,500
	40,960,000	40,801,500
B. RESERVES & SURPLUS		
CASH SUBSIDY RESERVE (Special Incentives from State Govt.)	5,253,100	5,253,100
CAPITAL RESERVE	18,002,073	7,202,073
	23,255,173	12,455,173
C. SECURED LOANS		
KOTAK MAHINDRA BANK (See Notes below) Cash Credit Account	-	24,982,048
	-	24,982,048
NOTE :		
1. The State Bank of Travancore has assigned the outstanding credit facilities given to the Company to Kotak Mahindra Bank together with all securities.		
2. The above outstanding cash credit facilities was secured by charge of hypothecation of raw material, work in progress & book debts and were also collaterally secured by mortgage of immovable properties of the Company and by personal guarantee of Managing Director and two Ex-Directors. Company has settled the entire dues at Rs. 150 lakhs, i.e, by payment of Rs. 110 lakhs which has already been paid and for balance Rs. 40 lakhs by allotment of company's shares at par or by transfer or promoters holding of equivalent amount. Instead of allotment of shares worth Rs.40 lakh, company has paid Rs. 25.00 lakhs.		
D. UNSECURED LOANS		
Loan Against Sales Tax Collection (See Note No. 12 in Notes to the Accounts)	24,446,488	24,446,488
Other Loans	35,000	1,865,000
	24,481,488	26,311,488
'E' FIXED ASSETS		

PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS AT 01.04.09	ADDITION	DELETION	AS AT 31.03.2010	UP TO 01.04.09	FOR THE OUT. ENDED 31.03.10	WRITTEN BACK/ TRANSFER	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Leasehold Land	1.052%	318,586	-	-	318,586	67,187	3,352	-	70,539	248,047	251,399
Factory Building	3.34%	6,326,723	-	-	6,326,723	3,587,293	211,313	-	3,798,606	2,528,117	2,739,430
Office Premises	1.63%	1,575,102	-	-	1,575,102	328,389	25,674	-	354,063	1,221,039	1,246,713
Plant & Machinery	4.75%	27,266,535	516,467	-	27,783,002	17,382,230	1,301,497	-	18,683,727	9,099,275	9,884,305
Electrical Fittings	4.75%	787,793	-	-	787,793	660,146	37,420	-	697,566	90,227	127,647
Office Equipments	4.75%	815,932	28,900	-	844,832	576,769	39,482	-	616,251	228,581	239,163
E.D.P Equipments	16.21%	598,607	276,258	-	874,865	365,539	60,840	-	426,379	448,486	233,068
Furnitures	6.33%	567,093	-	-	567,093	526,290	35,897	-	562,187	4,906	40,803
Air Conditioner	13.91%	76875	87,644	-	164,519	25,441	14,033	-	39,474	125,045	51,434
Software	16.21%	0	23,364	-	23,364	-	1,110	-	1,110	22,254	0
TOTAL		38,333,246	932,633	0	39,265,879	23,519,284	1,730,618	0	25,249,902	14,015,977	14,813,962
Previous Year		40,176,266	859,333	270,235	38,333,246	24,534,506	1,687,131	2,702,353	23,519,284	14,813,962	15,641,760
Capital Work-in Progress		2,269,723	18,012,249	-	20,281,972	-	-	-	-	20,281,972	2,269,723
Previous Year		2,267,363	2,360	-	2,269,723	-	-	-	-	2,269,723	2,267,363

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2010

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
F. CURRENT ASSETS, LOANS & ADVANCES		
INVENTORIES		
(As taken, valued & certified by the Managing Director)		
Material, Stores & Components	4,849,556	422,401
(at cost or net realisable value whichever is lower)		
Work - in - Progress	1,443,436	3,485,282
(at cost)	<u>6,292,992</u>	<u>3,907,683</u>
SUNDRY DEBTORS		
(Unsecured & considered goods)		
Outstanding for a period exceeding six months	30,844,440	25,149,723
Others	10,486,084	9,230,472
	<u>41,330,525</u>	<u>34,380,195</u>
CASH & BANK BALANCES		
Cash on hand	259,195	211,404
With Scheduled Banks in Current Accounts	<u>427,484</u>	<u>121,176</u>
	<u>686,679</u>	<u>332,580</u>
LOANS & ADVANCES		
(Unsecured & considered good)		
Advances recoverable in cash or kind	6,203,716	12,826,473
Deposits	415,540	140,140
Balance with Revenue Department	<u>3,870,989</u>	<u>1,489,378</u>
	<u>10,490,244</u>	<u>14,455,991</u>
	<u>58,800,439</u>	<u>53,076,448</u>
G. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors for Goods	15,619,745	8,330,832
Sundry Creditors for Expenses	6,437,550	4,543,284
Advance From Customers	26,649,157	5,518,524
Advance From Others	<u>3,225,000</u>	<u>1,940,000</u>
	<u>51,931,453</u>	<u>20,332,641</u>
PROVISIONS		
For Taxation	920,000	920,000
For Fringe Benefit Tax	252,046	252,046
	<u>1,172,046</u>	<u>1,172,046</u>
	<u>53,103,499</u>	<u>21,504,687</u>

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2010

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
H. OTHER INCOME		
Sundry Balance Written Off	1,267	-
Extra Ordinary Item	682,048	-
Misc. Income	35,943	56,000
	<u>719,258</u>	<u>56,000</u>
I. RAW MATERIALS CONSUMED		
Stock at commencement		
Work in Progress	3,485,282	2,780,085
Materials, Stores & Spares	422,401	2,254,944
Material, Stores & Spares Purchases	42,627,286	35,088,677
	<u>46,534,969</u>	<u>40,123,706</u>
Less :Stock at close		
Work in Progress	1,443,436	3,485,282
Materials, Stores & Spares	4,849,556	422,401
	<u>6,292,992</u>	<u>3,907,683</u>
	<u>40,241,977</u>	<u>36,216,023</u>
J. MANUFACTURING EXPENSES		
Designs, Drawing & Site Expenses	6,547,477	293,029
Inspection & Testing Charges	301,245	345,057
Repairs & Maintenance	597,707	192,130
Transport Charges	351,686	178,177
Power, Fuel & Water Charges	527,519	618,859
Labour Charges	3,993,706	3,419,811
	<u>12,319,340</u>	<u>5,047,063</u>
K. EMPLOYEE'S REMUNERATION & BENEFITS		
Salaries, Wages & Bonus	6,315,865	5,151,899
Employer's Contribution to Prov. Fund	23,824	35,114
Staff Welfare Expenses	398,894	97,463
Directors Remuneration	1,670,000	1,620,000
	<u>8,408,583</u>	<u>6,904,476</u>
L. OTHER EXPENSES		
Travelling & Conveyance	827,494	1,139,893
Postage & Telephone Expenses	243,351	160,178
Legal & Professional charges	878,440	97,809
Printing & Stationery	174,070	137,270
Rates & Taxes	435,985	158,723
Auditors Remuneration	95,000	95,000
Office Maintenance & Electricity	375,711	180,509
General Expenses	62,782	48,518
Advertisement & Sales promotion	92,729	38,906
Bad Debts	67,117	385,290
Sundry Balance Written off	-	7,911
Discount	-	38,250
Sales Tax Assessment Dues (04-05)	32,930	-
	<u>3,285,609</u>	<u>2,488,256</u>
M. INTEREST & FINANCE CHARGES		
Bank Charges	22,810	41,834
Interest others	1,583	9,066
	<u>24,393</u>	<u>50,900</u>

SCHEDULE 'N': ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES,****1 Basis of preparing the financial statement :**

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

2 Revenue Recognition :

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

3. Depreciation :

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

4 Inventory :

Raw materials, stores, components and other consumables are valued at cost or net realisable value whichever is lower. The work-in-progress is valued at cost on estimate. Inventories have been valued including excise paid on purchases.

5. Excise Duty is accounted at the stage of removal of goods from manufacturing unit. CENVAT benefits have been accounted to the extent the same are available.**6. Retirement Benefits:**

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

7. Taxation :

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

8. Events occurred after the date of Balance Sheet but affecting the accounts materially have been taken into consideration in above accounts.**OTHER NOTES****9. The Company has settled its secured loan outstanding with State Bank Indore by OTS and has taken full discharge certificate by paying OTS amount. On settlement remission waiver of loan liability at Rs. 72,02,073/- have been recognized as Capital Reserve. The Secured Loan outstanding of State Bank of Travancore, taken over by Kotak Mahindra Bank, had also been settled for payment of Rs. 110 lacs and for fresh issue and allotment of 4 lac equity shares each of Rs. 10/- . Pending to the issue of shares promoters had pledged their 4 lacs equity shares and had paid off the agreed amount of Rs. 110 lacs. Company had further negotiation with Kotak Mahindra Bank and got released the pledged equity shares of promoters against further cash payment of Rs. 25 lakhs. and obtained full discharge certificate. Remission in loan liability against principal amount ie 1,08,00,000/- has been recognized as Capital Reserve and remission in interest liability ie Rs.6,82,048/- has been recognized as extraordinary income.****10. The Company had entered into settlement agreement in respect of payment of their dues of Maharashtra Apex Corporation Ltd by execution of a MOU dated 24th March, 2008 for payment of Rs. 21.24 lakhs payable within 24 months beginning from March 2008 on a flexible monthly installment and Company by making payment as agreed has obtained full discharge certificate.**

11. a) Department of Sales Tax has accepted deferral amount in first scheme at Rs 98,47,800. However in second scheme the deferral has been restricted to 60.33% on prorata basis. Company's contention of full eligibility which is in commensurate with ratio of judgment given by Maharashtra Sales Tax Tribunal in the case of P.V. Textiles S.A.No. 48/2000 dt. 17/03/2000, is pending for adjudication in appeals where company is hopeful of getting necessary orders. The loan deferral availment has already become due for payment from 01/04/2005 in installments, but not paid so far. The company has written to the sales-tax Authorities to review the installments and it is reported that Sales Tax Authorities proposes to approach BIFR to incorporate their dues as part of rehabilitation package. Company has submitted it's revival scheme to BIFR, wherein it has requested BIFR to allow waiver of interest on unpaid installment and a deferral of 5 years from the date on which first installment became due.
- b) The Company has obtained certificate from Sales Tax Consultant to the effect that amount of Sales Tax collected which has been transferred to loan account has been, properly determined in accordance with the above mentioned schemes.

12. CONTINGENT LIABILITIES :

- a) In the event of non-receipt of pending declaration forms from customers the company will be liable to return the concession accounted, amount not ascertained including the interest and penalties thereon under the Sales Tax Law.
- b) The Sales Tax Authorities has completed the assessment up to the financial year 2003-2004. The company holds two entitlement certificates for deferral of sales tax dues, one for the period 1.5.1990 to 30.04.1999 for an amount of Rs. 98,47,800/- on erection of main project and the other dated 20.12.1995 for an amount of Rs. 1,49,73,700/- on expansion project. For the purpose of allowing deferral under second entitlement certificate in the assessment of the company the sales tax authorities have calculated the deferral amount at 60.33% of the sales tax payable considering prorata investment in expansion project and disallowed deferral of 30.67% of the sales tax payable based on prorata amount of investment in main project where entitlement limit was already exhausted, however such disallowed amount together with interest thereon has been stayed as per provision of Sec. 33(4)(C) of the BST Act, 1959. The company has pleaded that the ratio of P.V. Textile SA No. 48/2000 dated 17.03.2000 be applied and the benefit of deferment may be extended to the entire sales. However the sales tax authorities have not accepted this contention of the company and matter is pending in appeal for adjudication aforesaid non deferral portion works out to Rs. 98,75,994/
- 13 In the opinion of the Board the current assets, loans and advances, balances of which are subject to confirmation by respective parties and are outstanding for long time, if realized in the ordinary course of business have value on realization at least to the amount at which they are stated in the Balance Sheet except debtors of Rs. 227.58 lacs (Previous Year Rs. 195.46 lacs) considered doubtful and not provided for. The provision for all known liabilities subject to confirmation by respective parties are adequate and not in excess of amount reasonably necessary.
14. Payment received, made and adjusted in the parties accounts consisting debtors, creditors, loans, advances and deposits are generally by way of account payee cheques. Cash payment made by the company are by and large to local labor employed at remote locations and wherever supporting bills/invoices are not available proper documentation has been maintained by the company.
15. The company has no mechanism of getting 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.
16. The total net worth of the Company has eroded. The company is having huge unabsorbed depreciation and carry forward claim of losses under the Income Tax Act, 1961. In view of pending reference made by the company to BIFR on the basis of its Audited Balance Sheet as at 31.03.2002 which was registered as Case No. 295/2003, there is no virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized, therefore management has decided to make accounting of deferred tax asset when it will be reasonably sure that the company will be able to absorb such deferred tax assets against future liabilities.
17. In view of difficult financial position & huge losses company's case is pending with BIFR and pending sanction of revival Scheme. Company has neither paid nor provided interest liability on unpaid statutory dues and liability of interest thereon has not also been ascertained as the company is hopeful of getting it waived in pending BIFR matters.
18. Previous years' figures have been regrouped and rearranged wherever considered necessary.

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

- A 1) During the year the company has provided Rs. 16,70,000/- (Pr. Yr. Rs. 16,20,000/-) towards remuneration to Directors

Mr. S. Venkat Subramanian	Managing Director	8,65,000/-
Mr. Dipakkumar S. Shah	Director	8,05,000/-

2) Remuneration provided for Auditors :-

(Rs.)

Particular	2009-2010	2008-2009
Statutory Audit Fees	50,000	50,000
Tax Audit Fees	20,000	20,000
VAT Audit Fees	25,000	25,000
Tax Matters		
Service tax	9,785	9,785
Total	1,04,785	1,04,785

B. LICENCED AND INSTALLED CAPACITY

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

(Figure in the bracket pertains to previous year.)

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

CLASS OF GOODS	UNIT QTY.	PRODUCTION QTY.	SALE QTY.	TURNOVER AMOUNT IN Rs.
Industrial Boilers	Nos.	3 (3)	3 (3)	3,28,22,820 (2,04,56,890)
M.S. Pipe	M.T.	11,520 (252.452)	11,520 (252.452)	5,38,911 (1,49,90,142)
Other Manufactured Products	Unidentified (Unidentified)			3,15,88,127 (26,37,175)
Resale of goods, accessories & spares	Unidentified (Unidentified)			16,15,167 (1,35,50,953)
Job Work	Unidentified (Unidentified)			1,10,32,486 (1,07,73,955)

(Figure in the bracket pertains to previous year)

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

PARTICULARS	STEEL, ACCESSORIES & SPARES AMOUNT IN RS.
Opening stock	39,07,683 (50,35,029)
Purchases	4,26,27,286 (3,50,88,678)
Closing Stock	62,92,992 (39,07,683)
Stock W/o	---- (----)
Consumption	4,02,41,977 (3,62,16,023)

(Figures in bracket pertains to previous year)

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

	For the year ended on 31st March, 2010		For the year ended on 31st March, 2009	
	Rupees	% of total consumption	Rupees	% of total consumption
Imported	Nil	Nil	Nil	Nil
Indigenous	4,02,41,977	100.00 %	3,62,16,024	100.00 %
Total	4,02,41,977	100.00 %	3,62,16,024	100.00 %

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

Earning in Foreign Currency

	Current Year	Previous Year
FOB	----	---
Foreign Exchange Outflow	57,34,291	---

SCHEDULE ' N: ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS :			
Registration No.	: 11-34343	State Code	: 11
Balance sheet Date	: 31.03.2010		
II. CAPITAL RAISED DETAILS :			
Public Issue	: Nil	Right Issue	: Nil
Bonus issue	: Nil	Private Placement	: Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)			
Total Liabilities	: 886.97		
Sources of Funds :			
Paid up capital	: 409.60	Reserves & Surplus	: 232.55
Secured Loans	: 0.00	Unsecured Loans	: 244.82
Total Assets	: 886.97		
Application of Funds :			
Net Fixed Assets	: 342.98	Investment	: 0.00
Net Current Assets	: 56.97	Misc. Expenditure	: 0.00
Accumulated Losses	: 487.02		
IV. PERFORMANCE OF COMPANY (Rs. In Lacs)			
Turnover & other Income	: 732.03	Total Expenditure	: 660.10
Profit Before Tax	: 71.93	Profit After Tax	: 71.93
Earning Per Share	: 1.76(Rs)	Dividend rate	: Nil
V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS /SERVICES OF COMPANY :			
Item Code No. (ITC Code)	:	Product Description	
8402	:	Steam or Vapour generating Boilers	
8403	:	Central Heating Boilers other than 8402	
8404	:	Auxiliary plant for use with Boilers.	

AS PER OUR REPORT OF EVEN DATE

For D.C.BOTHRA & CO.,

FOR & ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS,

DIPAKKUMAR SHAH
MANAGING DIRECTOR

(PAWAN BOTHRA M. NO. 31215)

PARTNER

DINESH K. AGARWAL
DIRECTOR

PLACE : MUMBAI

DATE : 27.05.2010

STERLING STRIPS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2010

	31.03.2010 (in Rs.)	31.03.2009 (in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES ;		
Net Profit/Loss Before Tax & Extra ordinary Items	7,192,990	5,976,303
Adjustments for		
Depreciation	1,730,618	1,687,131
Interest/Dividend & other Income	(719,258)	(56,000)
Profit on Sale of Assets	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,204,350	7,607,434
Adjustment for		
Trade & Other Receivables	(13,984,583)	3,068,308
Inventories	(2,385,309)	1,127,346
Trade payables	31,598,813	(11,300,457)
Provision For Tax	-	(65,743)
CASH GENERATED FROM OPERATION	(A) 23,433,271	436,888
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(18,944,882)	(861,693)
Interest/Dividend & Other Income	37,210	56,000
Sale of Investment	-	-
NET CASH USED IN INVESTING ACTIVITIE	(B) (18,907,672)	(805,693)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Long Term Borrowing	(4,330,000)	(170,000)
Share Allotment money received	158,500	-
NET CASH FROM FINANCING ACTIVITIES	(C) (4,171,500)	(170,000)
NET INCREASES IN CASH AND CASH EQUIVALENTS	(A+B+C) 354,099	(538,806)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	332,580	871,386
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	686,679	332,580
NET INCREASE/DECREASE AS DISCLOSED ABOVE	354,099	(538,806)

Note : Figures in bracket represents Cash Outflow

ON BEHALF OF THE BOARD

PLACE : MUMBAI

DATE : 27.05.2010

DIPAKKUMAR SHAH

MANAGING DIRECTOR

DINESH K. AGARWAL

DIRECTOR

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of STERLING STRIPS LIMITED for the year 31st March,2010. The statement has been prepared by the Company in accordance with the requirement of clause 32 of Listing agreement with the Stock Exchange & is based on & in agreement with the corresponding Profit & Loss Account & Balance Sheet of the Company covered by our report of even date to the members of the Company

PLACE : MUMBAI

DATE : 27.05.2010

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

(PAWAN BOTHRA)
 PARTNER

ATTENDANCE SLIP

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

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

Members Name	Regd. Folio No.	No. of Shares held
Proxy Name		

I hereby record my presence at the Twenty - Fifth Annual General Meeting of the Company held at the Registered Office at A-8/4, MIDC, Murbad - 421 401 at 4 p.m. on 12th August 2010.

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

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

my / out proxy to vote for me / us, on my behalf at the Twenty Fifth - 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 12th August 2010 and at any adjournment thereof.

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

Signature of the member _____

Affix
Revenue
Stamp

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

BOOK - POST

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

Member Name	Page Folio No.	Particulars

Page Folio No.	Particulars

