

29TH ANNUAL REPORT 2013 - 2014



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.

REGISTRED OFFICE & WORKS

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

CORPORATE OFFICE

2/10, MEGHAL SERVICE INDUSTRIAL ESTATE,
DEVIDAYLA 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 TO THE MEMBERS

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of the Sterling Strips Limited will be held at its Registered Office at A/4, M.I.D.C. Murbad, Dist: Thane 421 401, on Tuesday the 19th August 2014 at 4 P.M. to transact, with or without modification(s) the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014; the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S Venkata Subramanian (DIN:00107561), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint, Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the Third Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED THAT pursuant to the provisions of Section 139 of The Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. GMJ & Co., Chartered Accountants having firm Registration No: 103429W be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors.

SPECIAL BUSINESS:

4. To appoint Mr. Mukund Gopal Gharpure (DIN: 00176967) as an Independent Director, not liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Mr. Mukund Gopal Gharpure (DIN: 00176967), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation."

5. To appoint Mr. Bakul Zaverchand Shah (DIN: 00588461) as an Independent Director, not liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Mr. Bakul Zaverchand Shah (DIN: 00588461), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation."

6. To appoint Mr. Rajesh Ulhas Deshpande (DIN: 00632178) as an Independent Director, not liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Mr. Rajesh Ulhas Deshpande (DIN: 00632178), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation."

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

PLACE : MUMBAI
DATE : 14th July 2014

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 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the meeting is annexed hereto. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be Available for inspection by the members at the AGM.
3. The Register of Members and Share Transfer Books of the Company shall remain closed on 19th August, 2014.
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. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
7. Members / Proxies should bring their attendance slip duly filled for attending the meeting.
8. Members are requested to bring the copy of Annual Report to the Annual General Meeting.
9. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their Client ID and DP ID numbers.
10. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

These e-voting instructions are being sent to you as your name appears in the Register of Members as on Friday, 11th July, 2014, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Twenty-ninth Annual General Meeting together with the Annual Report and to participate through e-voting.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "STERLING STRIPS LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(d) Click on the EVSN for the relevant STERLING STRIPS LIMITED on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xviii) Mr. Prabhat Maheshwari, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the evoting process in fair and transparent manner.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on Wednesday, 13th August, 2014 at 9:00 a.m. and ends on Thursday, 14th August, 2014 at 6:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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 102(1) of the Companies Act, 2013

Item no. 4 to 6:

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. Mukund Gopal Gharpure, Mr. Bakul Zaverchand Shah and Mr. Rajesh Ulhas Deshpande, Independent Directors retire at the ensuing AGM. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five consecutive years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mukund Gopal Gharpure, Mr. Bakul Zaverchand Shah and Mr. Rajesh Ulhas Deshpande, being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Mukund Gopal Gharpure, Mr. Bakul Zaverchand Shah and Mr. Rajesh Ulhas Deshpande as independent Directors for two terms of five consecutive years each commencing from April 1, 2014.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr. Mukund Gopal Gharpure, Mr. Bakul Zaverchand Shah and Mr. Rajesh Ulhas Deshpande, fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as independent Directors of the Company.

The Company has received from each of them (i) consent in writing to act as a director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 5 to 7 for approval of the Members.

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

PLACE : MUMBAI
DATE : 14th July 2014

DEEPAKKUMAR SHAH
MANAGING DIRECTOR

DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2014 and Auditors Report thereon.

1. FINANCIAL RESULTS

(Rs. In Lacs)

| Particulars | 2013-14 | 2012-13 |
|--|----------|----------|
| Sales & Other Income | 524.03 | 554.06 |
| Profit/(Loss) Before Interest & Depreciation | 73.06 | (78.61) |
| Less: Interest & Finance Charges | 32.17 | 0.40 |
| Profit/(Loss) Before Depreciation | 40.89 | (79.01) |
| Less: Depreciation | 29.49 | 21.27 |
| Profit/ (Loss) Before Tax | 11.40 | (100.28) |
| Less : Prior Period Expenses | 0.00 | 0.00 |
| Less : Provision for Tax | 0.00 | 0.00 |
| Add : Exceptional Items | 2.08 | 5.98 |
| Add : Provisions Reversed | 7.88 | 13.09 |
| Profit/ (Loss) After Tax | 21.36 | (81.20) |
| Add: Balance brought forward | (664.22) | (583.02) |
| Balance carried to Balance Sheet | (642.86) | (664.22) |

2. DIVIDEND

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

3. OPERATION

During the year under review, the Company has recorded a turnover of Rs. 524.03 Lacs including the other income against turnover in the previous year of Rs. 554.06 Lacs. Further the Company has made a profit of Rs 21.36 Lacs for the year ended 31st March 2014 as against a loss of Rs. 81.20 Lacs during the previous year ended 31st March 2013.

4. BUSINESS PROSPECTS

There is a marginal drop in the turnover of the Company for the year ended 31st March, 2014 as against the year ended 31st March, 2013, however company is able to make profit by controlling cost in the year ended 31st March, 2014 as against losses incurred 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 as per needs of the clients on Engineering Procurement & Constructions (EPC) basis. Company has ventured in the area of providing total structural solution in the field of solar power and looking forward to provide complete solar solution. Looking at the thrust of Govt. of India in the solar power sector, Company is confident of improved performance in the current year.

5. FIXED DEPOSITS

During the year under review the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rule, 1975.

6. DIRECTORS

As per Section 149 (10) of the Companies Act, 2013, Independent Directors are required to be appointed for a term of 5 consecutive years and can be reappointed for a maximum of two terms. They shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of the Independent Directors form part of the Notice of the AGM.

Mr. Mukund Gopal Gharpure, Mr. Bakul Zaverchand Shah and Mr. Rajesh Ulhas Deshpande, all Non-Executive (Independent) Directors of the Company retire at the ensuing AGM and seek for re-appointment. The necessary resolutions are placed for the approval of the Members.

Mr. S Venkata Subramanian 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 have given notice for their unwillingness for reappointment. Board has approached M/s GMJ & Co. Chartered Accountants who are eligible for appointment and have furnished a certificate, certifying that their appointment shall be within the limits of section 139 of the Companies Act, 2013. Your Directors recommended their 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

The Company adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed.

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:

- (i) In the preparation of annual accounts for the year ended 31st March 2014, the Company has followed the applicable accounting standards along with proper explanation relating to material departures.
- (ii) 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 2014.
- (iii) 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.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

11. LISTING:

The Company's Shares are listed on BSE Limited, Mumbai, The Delhi Stock Exchange Association Limited, Ahmedabad Stock Exchange Limited, Madras Stock Exchange Limited and The Calcutta Stock Exchange Limited.

12. 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.

13. 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.

14. 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

PLACE: MUMBAI

DATE : 14.07.2014

DEEPAKKUMAR SHAH
MANAGING DIRECTOR

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. 8,18,165/- (2,49,188/-)

D. Foreign Exchange Outgo : Rs. — (41,65,174/-)

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 AND ON BEHALF OF THE BOARD

PLACE: MUMBAI

DATE : 14.07.2014

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, 2014, four Board Meetings were held on the following dates: (1) 30th May 2013 (2) 12th August 2013 (3) 12th November 2013 (4) 14th February 2014.

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 31.03.2014 |
|----------------------------|-------------------------------|--------------------------------|---------|---------------|----------|--|
| | | Directorship # | | Board meeting | Last AGM | |
| | | Public | Private | | | |
| Mr. S. Venkata Subramanian | Executive Chairman | - | - | 4 | Yes | 464450 |
| Mr. DEEPAK Kumar 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 | 12500 |
| Mr. Dinesh Kumar Agarwal | Executive Whole-time Director | - | 1 | 3 | Yes | |

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. M.G. Gharpure | Mr. S. Venkata Subramanian |
|---|--|---|
| Date of Birth | 24-05-1957 | 07-09-1956 |
| Date of Appointment | 30/06/2005 | 18/01/1989 |
| Qualification | Ph. D (Chemical Engg.) | BSC |
| Expertise in specific functional area and years | Energy Conservation & Audit – More than 20 years | Innovative Energy Solutions & Management expertise – More than 25 years |
| List of Other Directorship Held | M/s Goldenstar Tech. Serv. Pvt. Ltd., M/s Yajna Energy Services Pvt. Ltd., | Nil |
| Chairman/ Member of the Committee(s) of the Board of Directors of the Company | Shareholder/Investor Grievance Committee (Chairman) Audit Committee (Member) Remuneration Committee (Member) | Nil |
| Shareholding in the Company | Nil | 464450 |

| Name of the Director | Mr. Rajesh Ulhas Deshpande | Mr. Bakul Shah |
|---|--|--|
| Date of Birth | 12-07-1970 | 23-11-1959 |
| Date of Appointment | 30/06/2005 | 30/06/2005 |
| Qualification | B.Tech (Chemical Engg.) and MMS | B.Com, A.C.A |
| Expertise in specific functional area and years | Energy Conservation & Business Management – More than 20 years | Accounts & Finance – 26 years |
| List of Other Directorship Held | Energetic Consulting Private Limited Prithvi Technologies Private Limited | Nil |
| Chairman/ Member of the Committee(s) of the Board of Directors of the Company | Member - Shareholder/Investor Grievance & Audit Committee Chairman - Remuneration Committee | Member - Shareholder / Investor Grievance Committee & Remuneration Committee, Chairman – Audit Committee |
| Shareholding in the Company | Nil | Nil |

3. AUDIT COMMITTEE:

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

- (i) During the financial year ended 31st March, 2014, four Audit Committee Meetings were held on the following dates:
(1) 30th May 2013 (2) 12th August 2013 (3) 12th November 2013 (4) 14th February 2014 .

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.

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 30th May 2013 & 12th November 2013.

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 2013-14 are:

| Name of the Director | Remuneration |
|----------------------------|--------------|
| Mr. S. Venkata Subramanian | 5,85,000/- |
| Mr. Deepakkumar Shah | 8,70,000/- |
| Mr. Dinesh Kumar Agarwal | 8,40,000/- |

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

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 addressed during the year
Complaint pending redressal as on 31.03.2014

Nil
NIL

4. 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 |
|------|----------|---------------------|----------|----------------------------------|--|
| 26th | Thursday | 29th September 2011 | 4.00 P.M | 2 | Registered Office of the Company: A- 8/4, MIDC, Murbad, Thane. |
| 27th | Thursday | 27th September 2012 | 4.00 P.M | 3 | --do-- |
| 28th | Thursday | 26th September 2013 | 4.00 P.M | 1 | --do-- |

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

5. 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.

6. 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 "Business Standard" & "Aapla Mahanagar" newspapers.

7. GENERAL SHAREHOLDER INFORMATION

- Annual General meeting to be held (29th)
Day, Date & Time : Tuesday, 19th August, 2014 at 4.00 P.M.
Venue : At A - 8/4, MIDC, Murbad, Thane.
- Financial Year : 2013-14.
- Book Closure : 19th August, 2014.
- BSE Scrip Code : 513575

(e) Market price data for the financial year ended 2013-14 are as under:

| MONTH | High (Rs.) | Low (Rs.) | Close (Rs.) | Volume |
|---------------|------------|-----------|-------------|--------|
| April, 13 | 5.99 | 5.99 | 5.99 | 100 |
| May, 13 | - | - | - | - |
| June, 13 | - | - | - | - |
| July, 13 | - | - | - | - |
| August, 13 | - | - | - | - |
| September, 13 | 6.25 | 6.00 | 6.25 | 125 |
| October, 13 | 6.84 | 6.55 | 6.84 | 600 |
| November, 13 | 6.90 | 6.56 | 6.56 | 600 |
| December, 13 | 6.60 | 6.60 | 6.60 | 275 |
| January, 14 | 6.91 | 6.58 | 6.70 | 1035 |
| February, 14 | - | - | - | - |
| March, 14 | 6.98 | 6.98 | 6.98 | 300 |

(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 2014

a. Details of shareholding distribution of equity shares of face value of Rs 10/- each as on March 31st, 2014:

| Nominal Value of Equity Shares | No. of Shareholders | % of Total Shareholders | Total holding in Rupees | % |
|--------------------------------|---------------------|-------------------------|-------------------------|---------------|
| 1 to 500 | 4563 | 90.1422 | 8207750 | 16.1063 |
| 501 to 1000 | 254 | 5.0178 | 2207900 | 4.3326 |
| 1001 to 2000 | 86 | 1.6989 | 1275250 | 2.5025 |
| 2001 to 3000 | 74 | 1.4619 | 1866000 | 3.6617 |
| 3001 to 4000 | 13 | 0.2568 | 474000 | 0.9301 |
| 4001 to 5000 | 14 | 0.2766 | 675300 | 1.3252 |
| 5001 to 10000 | 16 | 0.3161 | 1225700 | 2.4052 |
| 10001 to 999999999 | 42 | 0.8297 | 35028100 | 68.7365 |
| Total | 5062 | 100.00 | 50960000 | 100.00 |

b. Shareholding Pattern as on March 31, 2014:

| CATEGORY | NO. OF SHARES | PERCENTAGE OF SHAREHOLDING |
|------------------------------|---------------|----------------------------|
| Promoters Group | 31,96,750 | 62.73 |
| Banks, Financial Institution | 7,900 | 0.16 |
| Private Corporate Bodies | 23,100 | 0.45 |
| Indian Public | 17,06,350 | 33.48 |
| 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 : 2/10, Meghal Service Industrial Estate, Devi Dayal Road,
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, 2014.

For & On Behalf of the Board

DATE : 14.07.2014
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 2014, 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 : 14.07.2014
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, 2014 and forms part of the Directors' Report.

1. Overall & Business Review

Farm sector growth spurred India's economic growth to 4.7 per cent in 2013-14. The GDP growth rate in the previous year was a decade-low of 4.5 per cent. This is the second year in a row during which the economy's growth remained below the 5 per cent. In context of the Company, has made a profit in the year ended 31st March 2014 as against loss in the year ended 31st March 2013. Improvement is expected in growth rate in the current financial year 2014-15 as the government is taking significant steps to rejuvenate the economy.

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 has thus passed through an adverse phase. However at present stable government at centre & it's determination towards revival of economy creating a very positive environment for economic growth. Government attention in the field of renewable energy makes the Company confident to improve its performance in the forth coming period.

3. Opportunities & Threats

The company's expertise to provide the industry well engineered 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 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 positive in view of stable & decisive government at centre. Government is taking steps to revive the economy and it shall results in positive outcome for the industry in coming times. The softening of the high interest regime should give much needed push to improve the economy and growth. In 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 high inflation rate, higher interest rate, rising oil prices in domestic market are forcing industry 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, 2014**, and the Statement of Profit and Loss Account and the Cash flow statement for the year ended March 31, 2014 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. 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, 2014;
- (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 and made 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 made provision for Doubtful Debts.*
 - vi. *We are unable to quantify the effect of above facts in sub para (i) to (v) for want of relevant information and the effect thereof on the profit for the year ended or on the state of affairs of the company as at 31st March, 2014.*
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 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as Directors under Section 274(1)(g) of Companies Act, 1956;

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

(Seema Raisoni M. NO. 107730)
 PARTNER

PLACE: MUMBAI
 DATE : 26.05.2014

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 were 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 |
|----------------|----------------------------|---|
| 2 | Rs.31,71,200/- | 2,57,84,538/- |
- 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 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 |
|--------------|-------------------|--------------------------------------|-----------------|-----------------|-------------|-----------------|------------------|-----------------|----------------|-----------------|--------------|
| 2013-14 | - | | - | - | - | - | 3,16,912 | 15,810 | - | 70,900 | 15,657 |
| 2012-13 | - | | - | - | - | 4,81,358 | 4,89,658 | 3,89,563 | 28,089 | 1,64,550 | 33,496 |
| 2011-12 | - | | - | - | - | - | - | - | - | - | - |
| 2010-11 | - | | - | - | - | - | - | - | - | - | - |
| 2009-10 | - | | - | - | - | - | - | 1,21,227 | - | - | - |
| 2008-09 | - | | - | - | - | - | - | - | - | - | - |
| 2007-08 | - | | - | - | - | - | - | - | - | - | - |
| 2006-07 | - | | - | - | - | - | - | - | - | - | - |
| 2005-06 | - | | - | 1,37,468 | - | - | - | - | - | - | - |
| 2004-05 | - | | - | 6,29,523 | - | - | - | - | - | - | - |
| 2003-04 | - | | - | 5,827 | - | - | - | - | - | - | - |
| 2002-03 | - | Amount not ascertainable | - | - | - | - | - | - | - | - | - |
| 2001-02 | - | | - | - | - | - | - | - | - | - | - |
| 2000-01 | - | | - | - | - | 668 | - | - | - | - | - |
| 1999-00 | - | | - | - | - | - | - | - | - | - | - |
| 1998-99 | 19,812 | | - | 7,79,715 | 87,431 | 6,666 | - | - | - | - | - |
| 1997-98 | 30,624 | - | - | - | - | - | 99,196 | - | - | - | |
| 1996-97 | - | - | - | - | - | - | 1,72,111 | - | - | - | |
| TOTAL | 59436 | - | 7,79,715 | 8,80,249 | 6666 | 4,82,028 | 10,77,877 | 5,26,600 | 9363 | 2,35,450 | 49153 |

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 | Period to which Rs. | Forum where dispute pending amount relate |
|--------|-------------------|-------------|---------------------|---|
| 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.

- c. The GVAT Payable of earlier years amounts to Rs. 27,06,353/-
10. The accumulated losses at the end of the financial year is Rs. 6,42,85,307/- (P.Y. Rs 6,64,22,072/-) The company has not incurred any cash losses during the year though there were cash losses 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 : 26.05.2014**

STERLING STRIPS LIMITED
Balance Sheet as at 31st March, 2014

| Particulars | | Note No. | As at 31st March, 2014 | As at 31st March, 2013 |
|-------------|---|----------|------------------------|------------------------|
| | | | Rupees | Rupees |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 3 | 50,960,000 | 50,960,000 |
| | (b) Reserves and surplus | 4 | (41,030,134) | (43,166,899) |
| | (c) Money received against share warrants | | | |
| 2 | Share application money pending allotment | | | |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 5 | 48,262,615 | 47,825,826 |
| | (b) Deferred tax liabilities (net) | | | |
| | (c) Other long-term liabilities | 6 | 96,940,415 | 99,812,028 |
| | (d) Long-term provisions | 6A | | |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | | | |
| | (b) Trade payables | 7 | 6,338,865 | 5,883,157 |
| | (c) Other current liabilities | 8 | 18,961,512 | 20,642,671 |
| | (d) Short-term provisions | 9 | 2,120,327 | 2,123,075 |
| | TOTAL | | 182,553,599 | 184,179,858 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 10A | 27,098,723 | 28,697,401 |
| | (ii) Intangible assets | | | |
| | (iii) Capital work-in-progress | 10B | 17,510,084 | 17,510,084 |
| | (iv) Intangible assets under development | | | |
| | (v) Fixed assets held for sale | | | |
| | (b) Non-current investments | | | |
| | (c) Deferred tax assets (net) | | | |
| | (d) Long-term loans and advances | 11 | 6,665,389 | 8,117,670 |
| | (e) Other non-current assets | 12 | 45,233,943 | 34,214,503 |
| 2 | Current assets | | | |
| | (a) Current investments | | | |
| | (b) Inventories | 13 | 52,018,750 | 58,558,616 |
| | (c) Trade receivables | 14 | 25,196,934 | 26,217,477 |
| | (d) Cash and cash equivalents | 15 | 192,239 | 210,981 |
| | (e) Short-term loans and advances | 16 | 436,043 | 114,765 |
| | (f) Other current assets | 17 | 8,201,494 | 10,538,361 |
| | TOTAL | | 182,553,599 | 184,179,858 |
| | See accompanying notes forming part of the financial statements | | | |

As per the attached report of even date

For and on behalf of the Board of Directors

For D.C. Bothra & Co.

Chartered Accountants

(Seema Raison! M. No. 107730)

Partner

Deepakkumar Shah

Managing Director

Dinesh Kumar Agarwal

Executive Director &

Company Secretary

Place : Mumbai

Date : 26.05.2014

| (Statement of Profit and Loss without stating EBITDA) | | | | |
|--|-----------|--------------------|--------------------|--|
| STERLING STRIPS LIMITED | | | | |
| Profit and Loss for the period ended 31st March, 2014 | | | | |
| Particulars | Not e No. | For the year ended | For the year ended | |
| | | 31st March, 2014 | 31st March, 2013 | |
| | | Rupees | Rupees | |
| A CONTINUING OPERATIONS | | | | |
| 1 Revenue from operations (gross) | 18 | 54,120,895 | 57,816,237 | |
| Less: Excise duty Collection | 18 | 2,053,715 | 4,051,362 | |
| Revenue from operations (net) | | 52,067,180 | 53,764,875 | |
| 2 Other income | 19 | 336,205 | 1,640,919 | |
| 3 Total revenue (1+2) | | 52,403,385 | 55,405,794 | |
| 4 Expenses | | | | |
| (a) Cost of materials consumed | 20 | 16,750,515 | 41,360,205 | |
| (b) Purchases of stock-in-trade | | 1,146,490 | 905,388 | |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 | 5,313,702 | (13,419,293) | |
| (d) Employee benefits expense | 22 | 9,808,324 | 14,700,100 | |
| (e) Finance costs | 23 | 3,216,515 | 39,625 | |
| (f) Depreciation and amortisation expense | 10C | 2,949,089 | 2,128,864 | |
| (g) Other expenses | 24 | 42,078,046 | 19,720,893 | |
| Total expenses | | 51,262,881 | 65,433,773 | |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 1,144,704 | (10,027,978) | |
| 6 Exceptional items | | 208,417 | 598,438 | |
| 7 Profit / (Loss) before extraordinary items and tax (5 ± 6) | | 1,349,121 | (9,429,540) | |
| 8 Extraordinary items | | - | - | |
| 9 Profit / (Loss) before tax (7 ± 8) | | 1,349,121 | (9,429,540) | |
| 10 Provision for Warranty & Guarantee reversed | | 160,123 | 1,308,991 | |
| 11 Excess Provision for Depreciation Reversal Now | | 627,521 | - | |
| 12 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 | | - | - | |
| 13 Profit / (Loss) from continuing operations (9 ± 10) | | 2,136,765 | (8,120,549) | |
| B DISCONTINUING OPERATIONS | | | | |
| 14.i Profit / (Loss) from discontinuing operations (before tax) | | - | - | |
| 14.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations | | - | - | |
| 14.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 | | - | - | |
| 15 Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii) | | 2,136,765 | (8,120,549) | |
| C TOTAL OPERATIONS | | | | |
| 16 Profit / (Loss) for the year (11 ± 13) | | 2,136,765 | (8,120,549) | |

| (Statement of Profit and Loss without stating EBITDA) | | | | |
|--|-----------|----------------------|--------------------|--|
| STERLING STRIPS LIMITED | | | | |
| Statement of Profit and Loss for the period ended 31st March, 2014 (contd.) | | | | |
| Particulars | Not e No. | For the period ended | For the year ended | |
| | | 31st March, 2014 | 31st March, 2013 | |
| | | Rupees | Rupees | |
| 16.i Earnings per share (Face Value of ` Rs 10/- each): | | | | |
| (a) Basic | | | | |
| (i) Continuing operations | 25a | 0.42 | -1.59 | |
| (ii) Total operations | 25b | 0.42 | -1.59 | |
| (b) Diluted | | | | |
| (i) Continuing operations | | | | |
| (ii) Total operations | | | | |
| 16.ii Earnings per share (excluding extraordinary items) (of ` Rs 10/- each): | | | | |
| (a) Basic | | | | |
| (i) Continuing operations | 25c | 0.22 | -1.97 | |
| (ii) Total operations | 25d | 0.22 | -1.97 | |
| (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 Ralsoni M. No. 107730)
Partner

For and on behalf of the Board of Directors

Deepakkumar Shah
Managing Director

Dinesh Kumar Agarwal
Executive Director
& Company Secretary

Place : Mumbai
Date: 26.05.2014

STERLING STRIPS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31/03/2014

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 getting information as per the received details from few suppliers constitute Small Scale Industrial undertakings and therefore, the amount due to such supplier have been identified. The company received the information from vendors who are registered in regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount as at the year end together with interest paid / payable under this Act has been given.

2.15. Contingent Liability

The Sales Tax Authorities has completed the assessment up to the financial year 2004-2005. The company holds two entitlement certificates for deferral of sales tax dues, one for the period 1.5.1990 to 30.04.1999 for an amount of Rs. 98,47,800/- on erection of main project and the other dated 20.12.1995 for an amount of Rs. 1,49,73,700/- on expansion project. For the purpose of allowing deferral under second entitlement certificate in the assessment of the company the sales tax authorities have calculated the deferral amount at 80.33% 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. 49/2000 dated 17.03.2000 be applied and the benefit of deferral 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 recognized 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 unscrupled 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 31/03/2014

| Note-3 Ref. No. | Share Capital Particulars | As at 31 March 2014 | | As at 31 March, 2013 | |
|--------------------|---|---------------------|-------------------|----------------------|-------------------|
| | | 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 |
| | | 5,096,000 | 50,960,000 | 5,096,000 | 50,960,000 |

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

| | As at 31 March 2014 | | As at 31 March, 2013 | |
|--|---------------------|-------------------|----------------------|-------------------|
| | 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 | 5,096,000 | 50,960,000 |
| Issued during the year | | | | |
| Outstanding at the end of the year | 5,096,000 | 50,960,000 | 5,096,000 | 50,960,000 |

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 2014 | | As at 31 March, 2013 | |
|------------------------|---------------------|-----------|----------------------|-----------|
| | 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 | 31.03.2014 | | 31.03.2013 | |
|--------|--|------------|---------------------|------------|---------------------|
| | | | Rupees | | Rupees |
| a | Cash Subsidiary Reserve (Special Incentives from State Govt.) | | 5,253,100 | | 5,253,100 |
| b | Capital Reserve | | 18,002,073 | | 18,002,073 |
| c | Profit & Loss A/C | | (66,422,072) | | (58,301,523) |
| | Opening Balance | | | | |
| | Add: Profit for the Current Year | | 2,136,765 | | (8,120,549) |
| | Less: Loss for the Current Year | | | | |
| | Closing Balance | | (64,285,307) | | (66,422,072) |
| | Total (a+b+c) | | (41,030,134) | | (43,166,899) |

STERLING STRIPS LIMITED
Notes forming part of the financial statements as at 31/03/2014

| <u>Non - Current Liabilities</u> | | 31.03.2014 | 31.03.2013 |
|--|---|------------|------------|
| Note -5 | <u>Long Term Borrowings</u> | Rupees | Rupees |
| | <u>Unsecured Loan</u> | | |
| | Loan from Relatives | 23,816,127 | 23,479,338 |
| | Other Loans & Advances | 24,446,488 | 24,446,488 |
| | | 48,262,615 | 47,925,826 |
| 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> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | Sundry Creditors for expenses | 9,700,862 | 10,768,019 |
| | Sundry Creditors for goods | 44,246,572 | 45,706,406 |
| | Security Deposit | | 324,000 |
| | Advance from Parties | 42,992,981 | 43,013,603 |
| | | 96,940,415 | 99,812,028 |
| Note-7 | <u>Current Liabilities</u> | 31.03.2014 | 31.03.2013 |
| | <u>Trade Payables</u> | Rupees | Rupees |
| | Sundry Creditors for Goods | 6,338,865 | 5,883,157 |
| | | 6,338,865 | 5,883,157 |
| Note-8 | <u>Other Current Liabilities</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | Sundry Creditors for Expenses | 10,225,356 | 8,075,187 |
| | Advance from Parties | 747,054 | 4,758,705 |
| | <u>Other Payables</u> | | 969,426 |
| | TDS Payable | 1,648,046 | 6,839,353 |
| | Statutory Payables | 6,341,056 | |
| | Current year Taxes Payable (Net of Advance Tax) | | |
| | | 18,961,512 | 20,642,671 |
| Note -9 | <u>Short Term Provisions</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | Provision for Income Tax | 920,000 | 920,000 |
| | Provision for FBT | 189,478 | 189,478 |
| | Provision for Doubtful Debts | 1,010,849 | 853,474 |
| | Provision for Warranty & Guarantee | | 160,123 |
| | | 2,120,327 | 2,123,075 |

STERLING STRIPS LIMITED
Notes forming part of the financial statements as at 31/03/2014

Note-10A

(i)

TANGIBLE ASSETS
GROSS BLOCK

| | OP. BALANCE | ADDITION (by Purchases) | DELETION | TOTAL |
|---------------------|----------------------------|-------------------------|------------|------------|
| ASSETS | | | | |
| LEASE ASSETS | | | | |
| 1 | LEASEHOLD LAND | 318,586 | - | 318,586 |
| OWNED ASSETS | | | | |
| 2 | FACTORY BUILDING | 10,152,315 | - | 10,152,315 |
| 3 | OFFICE PREMISES | 1,575,102 | - | 1,575,102 |
| 4 | PLANT AND EQUIPMENTS | 39,519,969 | 709,700 | 40,229,669 |
| 5 | ELECTRICAL FITTINGS | 1,249,559 | - | 1,249,559 |
| 6 | FURNITURE AND FIXTURE | 1,766,667 | - | 1,766,667 |
| 7 | AIR CONDITIONER | 1,119,684 | - | 1,119,684 |
| 8 | OFFICE EQUIPMENTS | 874,908 | 7,000 | 881,908 |
| 9 | DIE & MOULD | 654,828 | - | 654,828 |
| Others | | | | |
| 10 | SOFTWARE | 372,970 | - | 372,970 |
| 11 | EDP EQUIPMENTS | 2,050,485 | 6,190 | 2,056,675 |
| | TOTAL OF THIS YEAR | 59,654,073 | 722,890 | 60,376,963 |
| | GRAND TOTAL | 59,654,073 | 722,890 | 60,376,963 |
| | TOTAL OF THE PREVIOUS YEAR | 41,229,492 | 18,424,581 | 59,654,073 |

DEPRECIATION BLOCK

| | | | | |
|---------------------|----------------------------|------------|-----------|------------|
| LEASE ASSETS | | | | |
| 1 | LEASEHOLD LAND | 80,595 | 3,351 | 83,946 |
| OWNED ASSETS | | | | |
| 2 | FACTORY BUILDING | 4,464,051 | 339,089 | 4,803,140 |
| 3 | OFFICE PREMISES | 431,085 | 25,674 | 456,511 |
| 4 | PLANT AND EQUIPMENTS | 22,649,310 | 1,808,753 | 23,921,263 |
| 5 | ELECTRICAL FITTINGS | 792,105 | 21,886 | 813,991 |
| 6 | FURNITURE AND FIXTURE | 642,703 | 102,785 | 718,639 |
| 7 | AIR CONDITIONER | 286,187 | 154,386 | 436,528 |
| 8 | OFFICE EQUIPMENTS | 738,061 | 41,957 | 780,018 |
| 9 | DIE & MOULD | 3,045 | 74,061 | 77,106 |
| Others | | | | |
| 10 | SOFTWARE | 58,298 | 60,458 | 116,756 |
| 11 | EDP EQUIPMENTS | 813,232 | 316,689 | 1,070,342 |
| | TOTAL OF THIS YEAR | 30,956,672 | 2,949,089 | 33,278,240 |
| | GRAND TOTAL | 30,956,672 | 2,949,089 | 33,278,240 |
| | TOTAL OF THE PREVIOUS YEAR | 28,829,808 | 2,126,864 | 30,956,672 |

NET BLOCK

| | CURRENT YEAR | PREVIOUS YEAR | |
|---------------------|----------------------------|---------------|------------|
| LEASE ASSETS | | | |
| 1 | LEASEHOLD LAND | 234,640 | 237,991 |
| OWNED ASSETS | | | |
| 2 | FACTORY BUILDING | 5,349,175 | 5,688,264 |
| 3 | OFFICE PREMISES | 1,118,591 | 1,144,017 |
| 4 | PLANT AND EQUIPMENTS | 16,308,406 | 16,870,659 |
| 5 | ELECTRICAL FITTINGS | 434,568 | 456,454 |
| 6 | FURNITURE AND FIXTURE | 1,048,028 | 1,123,964 |
| 7 | AIR CONDITIONER | 683,156 | 833,497 |
| 8 | OFFICE EQUIPMENTS | 101,890 | 136,847 |
| 9 | DIE & MOULD | 577,722 | 651,783 |
| Others | | | |
| 10 | SOFTWARE | 256,214 | 316,672 |
| 11 | EDP EQUIPMENTS | 986,333 | 1,237,253 |
| | TOTAL OF THIS YEAR | 27,098,723 | 28,697,401 |
| | GRAND TOTAL | 27,098,723 | 28,697,401 |
| | TOTAL OF THE PREVIOUS YEAR | 28,697,401 | 12,399,684 |

Note -10B

Capital Work In Progress

| | | |
|------------------------------|------------|------------|
| Building Under Construction | 556,100 | 556,100 |
| Machinery Under Installation | 16,953,984 | 16,953,984 |
| | 17,510,084 | 17,510,084 |

STERLING STRIPS LIMITED

Notes forming part of the financial statements as at 31/03/2014

| <u>Non Current Assets</u> | | 31.03.2014 | 31.03.2013 |
|---------------------------|---|-------------------|-------------------|
| Note-11 | <u>Long Term Loans and Advances</u> | Rupees | Rupees |
| | 1) Deposits with Statutory Authorities | | |
| | Secured Deposits | 87,930 | 87,930 |
| | 2) Security Deposits | | |
| | Secured Deposits | 533,919 | 1,986,200 |
| | 3) Advance to parties (Others) | 5,789,682 | 5,789,682 |
| | (Unsecured) | | |
| | 4) Capital Advances | | |
| | Capital Advance | 253,858 | 253,858 |
| | | <u>6,665,389</u> | <u>8,117,670</u> |
| Note 12 | <u>Other Non Current Assets</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | <u>Long Term Receivables</u> | | |
| | Secured Considered good | - | - |
| | Unsecured Considered good | 44,794,455 | 34,214,503 |
| | Doubtful | 439,488 | - |
| | | <u>45,233,943</u> | <u>34,214,503</u> |
| Note -13 | <u>Current Assets</u> | 31.03.2014 | 31.03.2013 |
| | <u>Inventories</u> | Rupees | Rupees |
| | (As taken, Valued & Certified by the management) | | |
| | Material, Stores & Components | 5,452,116 | 6,678,280 |
| | Work In Progress | 46,566,634 | 51,880,336 |
| | | <u>52,018,750</u> | <u>58,558,616</u> |
| Note- 14 | <u>Trade Recievables</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | <u>Outstanding for a period exceeding six months from the date they are due for payment</u> | | |
| | Secured Considered good | | |
| | Unsecured Considered good | 6,011,025 | 15,779,752 |
| | Doubtful | | |
| | <u>Other Receivables</u> | | |
| | Secured Considered good | | |
| | Unsecured Considered good | 6,506,706 | 1,691,027 |
| | Doubtful | | |
| | Due from Private Co in which director is a director | 12,679,204 | 8,746,700 |
| | | <u>25,196,934</u> | <u>26,217,477</u> |
| Note -15 | <u>Cash and Cash Equivalents</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | Cash in Hand | 23,326 | 56,779 |
| | <u>Balance with Banks</u> | | |
| | i) In Current Account | 88,037 | 79,694 |
| | <u>Other Bank Balances</u> | | |
| | ii) In Fixed Deposit Account | 80,876 | 74,508 |
| | (Rs 60,000 in Fixed Deposits Account has maturity of more than 12 Months) | | |
| | | <u>192,239</u> | <u>210,981</u> |
| Note- 16 | <u>Short Term Loans and Advances</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | Advance to parties (Others) | 436,043 | 114,765 |
| | (Unsecured) | | |
| | | <u>436,043</u> | <u>114,765</u> |
| Note- 17 | <u>Other Current Assets</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | 1) Balance with Revenue Authorities | 8,201,494 | 10,458,686 |
| | 2) Prepaid Expenses | | 79,675 |
| | | <u>8,201,494</u> | <u>10,538,361</u> |
| Note-18 | <u>Revenue from Operations</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | 1) Sale of Products | 29,236,055 | 41,866,849 |
| | 2) Sale of Services | 22,847,125 | 12,170,787 |
| | Excise Duty Collection | 2,053,715 | 4,051,362 |
| | Discount | (16,000) | (272,761) |
| | Revenue from Operations | <u>54,120,895</u> | <u>57,816,237</u> |
| Note -19 | <u>Other Income</u> | 31.03.2014 | 31.03.2013 |
| | | Rupees | Rupees |
| | 1) Interest Income | 153,198 | 678,259 |
| | 2) Sundry Balance W/off & Other Income | 22,357 | - |
| | 3) Rental Income | 160,650 | 630,000 |
| | 4) Profit on Sale of Land | - | 224,373 |
| | 5) Foreign Exchange Fluctuation Gain | - | 108,287 |
| | | <u>336,205</u> | <u>1,640,919</u> |

| Note-20 | 31.03.2014 Rupees | 31.03.2013 Rupees |
|-------------------------------------|----------------------|----------------------|
| a) Cost of Raw Material consumed | | |
| Stock at commencement | | |
| Materials, Stores & Spares | 6,678,280 | 5,170,503 |
| Material, Stores & Spares Purchases | 15,524,351 | 42,867,982 |
| | <u>22,202,631</u> | <u>48,038,485</u> |
| Less : Stock at close | | |
| Materials, Stores & Spares | 5,452,116 | 6,678,280 |
| | <u>5,452,116</u> | <u>6,678,280</u> |
| | <u>16,750,515</u> | <u>41,360,205</u> |

Note:-

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

| Note -21 | 31.03.2014 Rupees | 31.03.2013 Rupees |
|--|----------------------|----------------------|
| Changes in Work in Progress | | |
| Opening Work in Progress | 51,880,336 | 38,461,043 |
| Closing Work in Progress | 46,566,634 | 51,880,336 |
| | <u>5,313,702</u> | <u>(13,419,293)</u> |
| Note -22 Employee Benefits Expenses | 31.03.2014 | 31.03.2013 |
| | Rupees | Rupees |
| Salaries, Wages & Bonus | 7,195,968 | 11,961,545 |
| Employer's Contribution to Prov. Fund | - | 20,172 |
| Staff Welfare Expenses | 317,356 | 258,383 |
| Directors Remuneration | 2,295,000 | 2,460,000 |
| | <u>9,808,324</u> | <u>14,700,100</u> |
| Note -23 Finance Cost | 31.03.2014 | 31.03.2013 |
| | Rupees | Rupees |
| Bank Charges | 37,551 | 35,680 |
| Interest Others | 3,060,757 | 3,945 |
| Foreign Exchange Fluctuation Loss | 118,207 | - |
| | <u>3,216,515</u> | <u>39,625</u> |
| Note-24 Other Expenses | 31.03.2014 | 31.03.2013 |
| | Rupees | Rupees |
| Designs & Drawing | 25,000 | 59,000 |
| Project & Site Expenses | 4,057,771 | 6,757,457 |
| Inspection & Testing Charges | 13,830 | 56,627 |
| Repairs & Maintenance | 38,000 | 40,788 |
| Carriage Inward | 412,964 | 410,026 |
| Power, Fuel & Water Charges | 12,270 | 714,768 |
| Labour Charges | 2,522,831 | 4,617,246 |
| Travelling & Conveyance | 482,885 | 1,660,632 |
| Postage & Telephone Expenses | 149,854 | 254,881 |
| Legal & Professional charges | 673,750 | 774,100 |
| Printing & Stationary | 98,383 | 189,395 |
| Demat Facility Charges | 30,000 | 30,000 |
| Rates & Taxes | 36,730 | 32,979 |
| Insurance Exp. | 28,190 | 80,682 |
| Excise Duty Exp. | 1,766 | 8,000 |
| Octroi Duty | - | 15,503 |
| Service Tax GTA (F) | 33,592 | 14,929 |
| Security Charges | 67,500 | 46,854 |
| Listing Fee | 39,000 | 40,185 |
| Membership & Subscription Charges- MIDC | 12,999 | 1,500 |
| Subscription Charges for Software | 22,315 | 54,985 |
| Share Registrar Fees | 37,302 | 28,061 |
| | 1,410 | 5,710 |
| Filing Fees | - | - |
| Auditors Remuneration | 133,000 | 115,000 |
| Electricity Charges | 442,200 | 409,697 |
| Rent Paid | 2,264,070 | 2,730,830 |
| Lease Tax | - | 18 |
| Society Charges | 108,554 | 67,851 |
| Commission and Brokerage Expenses | - | 56,500 |
| General Expenses | 77,351 | 203,857 |
| Advertisement & Sales promotion | 97,354 | 224,124 |
| Sundry Balance Written off | - | 18,698 |
| Provision Doubtful Debts | - | - |
| Provision Warranty & Guarantee | 157,375 | - |
| | <u>12,078,046</u> | <u>19,720,883</u> |

| Note -25 | Earnings Per Share (EPS): | 31.03.2014 | 31.03.2013 |
|-----------------|--|-------------------|-------------------|
| a) | Net Profit(Loss) as per Profit and Loss Account (in `) | 2,136,765 | (8,120,549) |
| | Weighted average number of equity shares (par value of ` 10/- each) | 5,096,000 | 5,096,000 |
| | Earnings per share (Face value of ` 10/- each)- Basic and Diluted (in `) | 0.42 | (1.59) |
| b) | Net Loss as per Profit and Loss Account (excluding extraordinary item) | 1,140,704 | (10,027,978) |
| | Weighted average number of equity shares (par value of ` 10/- each) | 5,096,000 | 5,096,000 |
| | Earnings per share (Face value of ` 10/- each)- Basic and Diluted (in `) | 0.22 | (1.97) |

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 labour 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. 22,95,000/- (Pr. Yr. Rs. 24,60,000/-) towards remuneration to Directors.

| | | Rs. |
|---------------------------|--------------------|----------|
| Mr. S. Venkat Subramanian | Chairman | 585000/- |
| Mr. Deepak S. Shah | Managing Director | 870000/- |
| Mr. Dinesh Kumar Agarwal | Executive Director | 840000/- |

B) Remuneration provided for Auditors :-

| Particular | (Rs.) | |
|----------------------|----------------|-----------------|
| | 2013-2014 | 2012-2013 |
| Statutory Audit Fees | 60,000 | 60,000 |
| Tax Audit Fees | 30,000 | 30,000 |
| VAT Audit Fees | 25,000 | 25,000 |
| Tax Matters | - | - |
| Service tax | - | - |
| Total | 115,000 | 1,15,000 |

C) LICENCED AND INSTALLED CAPACITY

| CLASS OF GOODS | UNIT | LICENCED CAPACITY | | INSTALLED CAPACITY | |
|---------------------------------|------|-------------------|-----------|--------------------|-----------|
| | | QTY. | PER ANNUM | QTY. | PER ANNUM |
| Industrial Boilers | Nos. | 75 | 75 | 75 | 75 |
| | | (75) | (75) | (75) | (75) |
| Pressure Vessels | Nos. | 12 | 12 | 12 | 12 |
| | | (12) | (12) | (12) | (12) |
| L.P.G. Bullets | Nos. | 48 | 48 | 48 | 48 |
| | | (48) | (48) | (48) | (48) |
| Absorption Refrigeration System | Nos. | 15 | 15 | 15 | 15 |
| | | (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. | 1 | 1 | 875,000 |
| | | 1 | 1 | (620,000) |
| M.S. Pipe | M.T. | --- | --- | --- |
| Other Manufactured Products | Unidentified | --- | --- | 25,570,656 |
| | (Unidentified) | --- | --- | (38,970,663) |
| Resale of goods accessories & spares (Unidentified) | Unidentified | --- | --- | 3,135,999 |
| | (Unidentified) | --- | --- | (2,003,425) |
| Job Work | | | | 22,501,525 |
| | | | | (12,170,787) |
| Total | | | | 52,083,180 |
| | | | | (53,764,875) |

(Figure in the bracket pertains to previous year)

STERLING STRIPS LTD
Notes forming part of the financial statements as at 31/03/2014

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 | 6,678,280 |
| | (5,170,503) |
| Purchases | 15,524,351 |
| | (42,867,982) |
| Closing Stock | 5,452,116 |
| | (6,678,280) |
| Stock W/o | - |
| Consumption | 16,750,515 |
| | (41,360,205) |
| (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, 2014 | | For the year ended on 31 st March, 2013 | |
|------------|--|------------------------|--|------------------------|
| | Rupees | % of total consumption | Rupees | % of total consumption |
| Imported | 0 | 0.00% | 13832661 | 31.60% |
| Indigenous | 16670841 | 100.00% | 29940703 | 68.40% |
| Total | 16670841 | 100.00% | 43773364 | 100.00% |

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

| | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| Earning in Foreign Currency | 818,165 | 249,188 |
| F.O.B | --- | --- |
| Foreign Exchange Outflow | 0 | 4165174 |

In terms of our report attached.

For D.C. Bothra & Co.
Chartered Accountants

For and on behalf of the Board of Directors

(Seema Raison M. No. 107730)
Partner

Deepakkumar Shah
Managing Director

Dinesh Kumar Agarwal
Executive Director &
Company Secretary

Place : Mumbai
Date : 26.05.2014

STERLING STRIPS LTD
Notes forming part of the financial statements
Cash Flow Statement for the period ended 31st March, 2014

| Particulars | For the period ended 31st March, 2014 | | For the year ended 31 March, 2013 | |
|--|--|------------------|--------------------------------------|---------------------|
| | Rupees | Rupees | Rupees | Rupees |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | 1,140,704 | | (10,027,978) |
| <u>Adjustments for:</u> | | | | |
| Depreciation and amortisation | 2,949,089 | | 2,126,864 | |
| 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 | | | 39,625 | |
| Finance costs | 3,216,515 | | (678,259) | |
| Interest income | (153,198) | | | |
| Dividend income | | | | |
| Net (gain) / loss on sale of investments | | | (630,000) | |
| Rental income from investment properties | (160,650) | | | |
| 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 | | 0 | |
| Provision for estimated loss on derivatives | | | 0 | |
| Provision for warranty | | | | |
| Provision for estimated losses on onerous contracts | | | | |
| Provision for contingencies | | | | |
| Other non-cash charges (specify) | | | | |
| Net unrealised exchange (gain) / loss | 0 | | (108,287) | |
| | 5,851,756 | 6,992,460 | 749,943 | (9,278,035) |
| Operating profit / (loss) before working capital changes | | | | |
| <u>Changes in working capital:</u> | | | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | | | |
| Inventories | 6,539,866 | | (14,927,070) | |
| Trade receivables | 1,020,543 | | 6,417,911 | |
| Short-term loans and advances | (321,278) | | 930,402 | |
| Long-term loans and advances | 1,452,281 | | 9,389,846 | |
| Other current assets | 2,336,867 | | (1,746,524) | |
| Other non-current assets | (11,019,440) | | (26,421,847) | |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u> | | | | |
| Trade payables | 455,708 | | (11,280,792) | |
| Other current liabilities | (1,681,159) | | (35,875,559) | |
| Other long-term liabilities | (2,871,614) | | 55,081,329 | |
| Short-term provisions | (2,748) | | (1,308,991) | |
| Long-term provisions | | | | |
| | (4,090,973) | | (19,741,296) | |
| | | 2,901,487 | | (29,019,331) |
| Cash flow from extraordinary items | | 160,123 | | 130,899 |
| Cash generated from operations | | 3,061,610 | | (27,710,340) |
| Net income tax (paid) / refunds | | | | 0 |
| Net cash flow from / (used in) operating activities (A) | | 3,061,610 | | (27,710,340) |

STERLING STRIPS LTD
Notes forming part of the financial statements
Cash Flow Statement for the period ended 31st March, 2014 (Contd.)

| Particulars | For the period ended 31st March, 2014 | | For the year ended 31 March, 2013 | |
|---|--|-----------|--------------------------------------|-----------|
| | Rupees | Rupees | Rupees | Rupees |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | (722,890) | | 1,793,756 | |
| 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 | 153,198 | | 678,259 | |
| Dividend received | | | | |
| - Subsidiaries | | | | |
| - Associates | | | | |
| - Joint ventures | | | | |
| - Others | | | | |
| Rental income from investment properties | 160,650 | | 630,000 | |
| Rental income from operating leases | | | | |
| Amounts received from partnership firms | | | | |
| Amounts received from AOPs | | | | |
| Amounts received from LLPs | | | | |
| | (409,042) | | 3,102,015 | |
| Cash flow from extraordinary items | | 208,417 | | 598,438 |
| | | (200,625) | | 3,700,453 |
| Net income tax (paid) / refunds | | 0 | | 0 |
| Net cash flow from / (used in) investing activities (B) | | (200,625) | | 3,700,453 |

STERLING STRIPS LTD
Notes forming part of the financial statements
Cash Flow Statement for the period ended 31st March, 2014 (Contd.)

| Particulars | For the period ended 31st March, 2014 | | For the year ended 31 March, 2013 | |
|---|--|-------------|--------------------------------------|--------------|
| | Rupees | Rupees | Rupees | Rupees |
| C. Cash flow from financing activities | | | | |
| Proceeds from issue of equity shares | 0 | | 0 | |
| 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 | | | 9,681,064 | |
| Repayment of long-term borrowings | 336,789 | | | |
| Net increase / (decrease) in working capital borrowings | | | | |
| Proceeds from other short-term borrowings | | | | |
| Repayment of other short-term borrowings | | | 68,662 | |
| Finance cost | (3,216,515) | | | |
| Dividends paid | | | | |
| Tax on dividend | | | | |
| | (2,879,726) | | 9,749,726 | |
| Cash flow from extraordinary items | | 0 | | 0 |
| Net cash flow from / (used in) financing activities (C) | | (2,879,726) | | 9,749,726 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | (18,741) | | (14,260,164) |
| Cash and cash equivalents at the beginning of the year | | 210,981 | | 14,471,144 |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | | | | |
| Cash and cash equivalents at the end of the year | | 192,239 | | 210,980 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note 19) | | 111,363 | | 136,473 |
| 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 | | 111,363 | | 136,473 |
| 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) | | 80,876 | | 74,508 |
| Cash and cash equivalents at the end of the year * | | 192,239 | | 210,981 |
| * Comprises: | | | | |
| (a) Cash on hand | | 22,326 | | 56,779 |
| (b) Cheques, drafts on hand | | | | |
| (c) Balances with banks | | | | |
| (i) In current accounts | | 88,037 | | 79,694 |
| (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) | | 80,876 | | 74,508 |
| (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

(Seema Ralsoni M. No. 107730)
Partner

Place : Mumbai
Date : 26.05.2014

For and on behalf of the Board of Directors

Deepakkumar Shah
Managing Director

Dinesh Kumar Agarwal
Executive Director &
Company Secretary

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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- Ninth Annual General Meeting of the Company held at the Registered Office at A-8/4, MIDC, Murbad – 421 401 at 4 p.m. on 19th August 2014.

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-Ninth – 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 19th August 2014 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
2/10, MEGHAL SERVICE INDUSTRIAL ESTATE,
DEVIDAYLA ROAD, MULUND - WEST,
MUMBAI-400 080.**