

24th ANNUAL REPORT 2008 - 2009



STERLING STRIPS LIMITED

STERLING STRIPS LIMITED

BOARD OF DIRECTORS

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

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

BANKERS

ICICI BANK LTD
CANARA BANK

AUDITORS

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

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

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

SHARE TRANSFER AGENT & REGISTRAR

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

STERLING STRIPS LIMITED**NOTICE**

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

ORDINARY BUSINESS:

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

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

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

PLACE : MUMBAI
DATE : 30.07.2009

S VENKATA SUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR

NOTES:

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

ADDITIONAL INFORMATION

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

STERLING STRIPS LIMITED

DIRECTOR'S REPORT TO THE MEMBERS**Dear Members,**

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

FINANCIAL RESULTS

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

DIVIDEND

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

OPERATION

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

BUSINESS PROSPECTS

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

FIXED DEPOSITS

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

DIRECTORS

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

AUDITORS

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

AUDITORS REPORT

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

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for the year ended 31st March 2009.

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

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

PERSONNEL

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

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

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

S/d-
S. VENKATASUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 30.07.2009

ANNEXURE TO DIRECTORS REPORT

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

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

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

b) Additional investments & proposals, if any:

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

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

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

d) Total Energy Consumption & Energy:

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

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

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

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

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

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

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

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

3. Further plan of action:

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

4. Expenditure on R & D:

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

5. Technology absorption, adoption & innovation:

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

For & On Behalf of the Board

S. VENKATA SUBRAMANIAN
CHAIRMAN & MANAGING DIRECTOR.

PLACE : MUMBAI

DATE : 30.07.2009

STERLING STRIPS LIMITED

CORPORATE GOVERNANCE REPORT

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

CORPORATE PHILOSOPHY :

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

2. **BOARD OF DIRECTORS :**

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

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

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

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

BOARD PROCEDURE

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

3. **AUDIT COMMITTEE:**

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

4. **REMUNARATION COMMITTEE:**

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

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

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

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

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

REFERENCE:

The gist of terms of reference is as follows:

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

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

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

Complaint pending redressal as on 31.03.2009 - NIL

6. GENERAL MEETINGS:

The Previous Three Annual General Meetings were held as under:

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

No resolution has so far been passed by postal ballot.

7. DISCLOUSER:

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

8. MEANS OF COMMUNICATION:

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

9. GENERAL INFORMATION

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

10. STOCK MARKET DATA

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

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

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

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

b. Distribution of shareholding as on March 31, 2009

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