

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



**STERLING STRIPS LIMITED**

**BOARD OF DIRECTORS**

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

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

**BANKERS**

ICICI BANK LTD.  
CANARA BANK  
HDFC BANK

**AUDITORS**

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

**REGISTERED OFFICE & WORKS**

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

**CORPORATE OFFICE**

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

**SHARE TRANSFER AGENT & REGISTRAR**

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

## NOTICE TO THE MEMBERS

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

### ORDINARY BUSINESS:

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

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

### SPECIAL BUSINESS:-

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

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

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

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

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

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

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

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

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

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

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

DEEPAKKUMAR SHAH  
MANAGING DIRECTOR

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the company. Proxy form in order to be effective must be deposited with the company not less than 48 hours before the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (Act), relating to the Special Businesses to be transacted at the meeting is annexed hereto
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2012 to 27th September, 2012 both days inclusive.
4. Members holding equity shares in physical form are hereby requested to promptly notify the change of address, if any, to the company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd. quoting their folio number and Members holding equity shares in demat form shall have to intimate to their respective Depository Participants quoting their Client ID.
5. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the company
6. Members / Proxies should bring their attendance slip duly filled for attending the meeting.
7. Members are requested to bring the copy of Annual Report to the Annual General Meeting.
8. Details of the Directors retiring by rotation and seeking reappointment (in pursuance of Clause 49 of the Listing Agreement)

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

**Important Communication to Members**

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

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

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

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

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

**PART – A**

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

**PART – B**

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

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

**Profit Link Incentive/Commission**

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

**Minimum Remuneration**

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

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

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

Your Directors recommend the resolution for your approval.

**Item No. 6**

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

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

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

**PART - A**

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

**PART - B**

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

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

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

**Profit Link Incentive/Commission**

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

**Minimum Remuneration**

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

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

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

Your Directors recommend the resolution for your approval.

**Item No. 7**

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

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

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

**PART - A**

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

**PART - B**

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

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

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

**Profit Link Incentive/Commission**

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

**Minimum Remuneration**

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

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

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

Your Directors recommend the resolution for your approval.

## DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

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

### 1. FINANCIAL RESULTS

(Rs. In Lacs)

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

### 2. DIVIDEND

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

### 3. OPERATION

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

### 4. BUSINESS PROSPECTS

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

### 5. FIXED DEPOSITS

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

### 6. DIRECTORS

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

### 7. AUDITORS

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

### 8. AUDITORS REPORT

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

### 9. CORPORATE GOVERNANCE

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

### 10. DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of annual accounts for the year ended 31<sup>st</sup> March 2012, the Company has followed the applicable accounting standards along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for the year ended 31<sup>st</sup> March 2012.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

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

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

## **12. PARTICULARS OF EMPLOYEES**

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

## **13. APPRECIATION**

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

FOR AND ON BEHALF OF THE BOARD

DEEPAKKUMAR SHAH  
MANAGING DIRECTOR

PLACE: MUMBAI

DATE : 13.08.2012

## **ANNEXURE TO DIRECTORS REPORT**

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

### **A. Conservation of Energy:**

- a) Energy Conservation measures taken:
  - Optimization of power factor by effective operation of power capacitor near load point.
  - Regular preventive maintenance of energy consuming equipment.
  - Maximum demand control by switching off unnecessary illumination.
  - Controlling energy consumption by switching off idle machines & electrical power supply system.
- b) Additional investments & proposals, if any:
  - No additional investment for conservation of Energy was made during the year.
- c) Impact of the above measures on consumption of Energy:
  - Stabilization in revenue expenditure for maintenance of illumination & electrical power supply system.
- d) Total Energy Consumption & Energy:
  - Consumption per unit of production as prescribed not given as the Company is not covered under the list of specific industries.

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

C. Foreign Exchange Earning : Rs. 4, 60, 92,644/- (NIL)

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

### **FORM B**

1. Specific areas in which R & D carried out by the company.
  - Product development in line with Company's present business
  - Development & evaluation of alternate system/raw materials
2. Benefits derived as a result of the above R & D
  - Development of existing product of improved design i.e. Industrial Boilers with high efficiency.
3. Further plan of action:
  - To carry out further product development & technology up gradation.
4. Expenditure on R & D:
  - Since the Research & Development is carried out in the design of the product drawn by our design department, specific expenditure for R & D has not been ascertained.
5. Technology absorption, adoption & innovation:
  - No other process for technology absorption, adoption & innovation has been adopted.
  - The Company proposes to obtain ISO Certification.

For & On Behalf of the Board

DATE : 13.08.2012

PLACE : MUMBAI

DEEPAKKUMAR SHAH  
MANAGING DIRECTOR

## CORPORATE GOVERNANCE REPORT

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

### 1. CORPORATE PHILOSOPHY:

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

### 2. BOARD OF DIRECTORS :

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

The composition is as under:-

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

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

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

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

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

### 3. AUDIT COMMITTEE:

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

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

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

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

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

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

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

### 4. REMUNERATION COMMITTEE:

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

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