

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/S STEEL STRIPS LIMITED

We have audited the accompanying financial statements of **STEEL STRIPS LIMITED**, which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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.

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 Statement of Profit and Loss, 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.

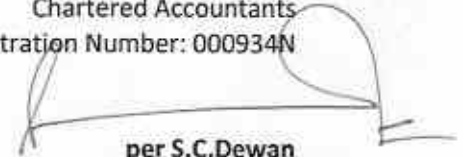
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the



Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. 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 purpose 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 those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on **March 31, 2014**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2014**, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.C. Dewan & Co
Chartered Accountants
ICAI Firm Registration Number: 000934N



per S.C.Dewan
Partner
Membership Number: 015678

Place of Signature: Chandigarh
Date: 30TH May 2014



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of STEEL STRIPS LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:

The company is not holding any Fixed Assets. Therefore, the reporting requirements under this clause are not applicable.
2. In respect of its inventories:

The company is not holding any Inventory. Therefore, the reporting requirements under this clause are not applicable.
3. The Company has not granted or taken any loan, secured or unsecured loans to/ from Companies covered in the register maintained under section 301 of the Companies Act, 1956. The Provision of clause 4(iii) of Companies (Auditor's Report) order, 2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets, payment for expenses and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, directives issued by Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and rule framed there under are not applicable for the year under audit .
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As per information & explanation given by the management and as per the nature of its business activities, the company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been



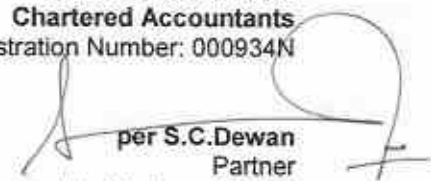
generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **March 31, 2014** for a period of more than six months from the date of becoming payable.

- b. The Company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
10. The company has been registered for a period of more than five years, having existing share capital of Rs. 821.31 lakhs. Its accumulated losses at the end of the financial year amounts to Rs. 2744.09 lakhs and are more than 50% of its net worth. There is cash loss in the financial year under review and in the immediately preceding financial year. The Company is a sick industrial company within the meaning of clause (o) of Sub-Section(1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 as amended
 11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
 12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 / nidhi /mutual benefit fund / society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities and other investments. The company has not purchased /invested in shares, securities and other investments.
 - 15 According to the information and explanation give to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
 - 16 Based on our audit procedures and on the informations given by the management, we report that the company has not raised any term loans during the year.
 - 17 Based on the information and explanations given to us and on the overall examination of the Balance Sheet of the Company as at 31st March 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 - 18 The Company has not made any preferential allotment of equity shares to a company covered in the Register maintained under Section 301 of the Company Act, 1956 during the financial year.
 - 19 The Company has not issued any Debentures to the public.
 - 20 The Company has not raised any monies by way of public issues during the year.



21 In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S.C. Dewan & Co
Chartered Accountants
ICAI Firm Registration Number: 000934N


per S.C. Dewan
Partner
Membership Number: 015678

Place of Signature: Chandigarh
Date: 30TH May 2014



STEEL STRIPS LIMITED

Audited Financial Results for the year ended 31th MAR, 2014

Particulars (Refer Notes Below)	THREE MONTHS ENDED			(Rs.In Lacs) FINANCIAL Year ended	
	31.03.2014 (Audited)	31.12.2013 (Unaudited)	31.03.2013 (Audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
1 Income from operations					
(a) Net sales/ income from operations (Net of excise duty)	0	0	0	0	0
(b) Other operating income	0	0	0	0	0
Total income from operations (net)	0	0	0	0	0
2 Expenses					
(a) Cost of materials consumed	0	0	0	0	0
(b) Purchases of stock-in-trade					
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
(d) Employee benefits expense	0	0	0	0	0
(e) Depreciation and amortisation expense	0	0	0	0	0
(f) Other Expenses	1.29	1.95	1.89	14.13	9.40
Total expenses	1.29	1.95	1.89	14.13	9.40
3 Profit / (Loss) from operations before other income, finance costs and exceptional items	(1.29)	(1.95)	(1.89)	(14.13)	(9.40)
4 Other income	0.87	0.87	0.87	3.58	3.48
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items	(0.42)	(1.08)	(1.02)	(10.55)	(5.92)
6 Finance costs	0.00	0.34	0.00	0.34	0.00
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(0.42)	(1.42)	(1.02)	(10.89)	(5.92)
8 Exceptional items	0.00	0.00	0.00	0.00	0.00
9 Profit / (Loss) from ordinary activities before tax	(0.42)	(1.42)	(1.02)	(10.89)	(5.92)
10 Tax expense	0.00	0.00	0.00	0.00	0.00
11 Net Profit/(Loss) from ordinary activities after tax	(0.42)	(1.42)	(1.02)	(10.89)	(5.92)
12 Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00
13 Net Profit / (Loss) for the period	(0.42)	(1.42)	(1.02)	(10.89)	(5.92)
14 Paid-up equity share capital (Face value of Rs.10/-each)	828.31	828.31	828.31	828.31	828.31
15 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	0	0	0	0	0
16.i Basic and Diluted Earnings per share (before extraordinary items)	(0.01)	(0.02)	(0.01)	(0.13)	(0.07)
16.ii Basic and Diluted Earnings per share (before extraordinary items)	(0.01)	(0.02)	(0.01)	(0.13)	(0.07)
A PARTICULARS OF SHAREHOLDING					
1 Public shareholding					
- Number of shares	6341253	6341253	6500422	6341253	6500422
- Percentage of shareholding	76.56%	76.56%	78.48%	76.56%	78.48%
2 Promoters and Promoter Group Shareholding **					
a) Pledged / Encumbered	Nil	Nil	Nil	Nil	Nil
- Number of shares	0	0	0	0	0
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0	0	0	0	0
- Percentage of shares (as a % of the total share capital of the company)	0	0	0	0	0
b) Non - encumbered					
- Number of shares	1941850	1941850	1782681	1941850	1782681
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	23.44%	23.44%	21.52%	23.44%	21.52%

B INVESTOR COMPLAINTS

Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

Note: The above Results for the year ended 31th Mar 2014 were reviewed and recommended by the Audit Committee and thereafter approved and taken on records by the Board of Directors at their meeting held on 30/05/2014

CHANDIGARH
DATED: 30/05/2014



(H.K. SINGHAL)
DIRECTOR

STEEL STRIPS LTD

Annexure - IX

Clause 41 of the Listing Agreement For Companies (Other than Banks)

Standalone / Consolidated Statement of Assets and Liabilities		31.03.2014	31.03.2013
Particulars			
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	82831030	82831030
	(b) Reserves and surplus	(106465169)	(105375735)
	(c) Money received against share warrants	0	0
	Sub-total - Shareholders' funds	(23634139)	(22544705)
2	Share application money pending allotment		
3	Minority interest *		
4	Non-current liabilities		
	(a) Long-term borrowings	0	0
	(b) Deferred tax liabilities (net)	0	0
	(c) Other long-term liabilities	22619091	20769091
	(d) Long-term provisions	36000	36000
	Sub-total - Non-current liabilities	22655091	20805091
5	Current liabilities		
	(a) Short-term borrowings	1100000	1550000
	(b) Trade payables	0	0
	(c) Other current liabilities	210546	502923
	(d) Short-term provisions	0	0
	Sub-total - Current liabilities	1310546	2052923
	TOTAL - EQUITY AND LIABILITIES	331498	313309
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	0	0
	(b) Goodwill on consolidation *	0	0
	(c) Non-current investments	0	0
	(d) Deferred tax assets (net)	0	0
	(e) Long-term loans and advances	0	0
	(f) Other non-current assets	102907	102907
	Sub-total - Non-current assets	102907	102907
2	Current assets		
	(a) Current investments	0	0
	(b) Inventories	0	0
	(c) Trade receivables	0	0
	(d) Cash and cash equivalents	9428	26039
	(e) Short-term loans and advances	0	0
	(f) Other current assets	219163	184363
	Sub-total - Current assets	228591	210402
	TOTAL - ASSETS	331498	313309

