

Sterling Greenwoods Ltd.



16th annual report 2007-2008

resorts ● clubs ● township

CONTENTS

| | |
|---|----|
| BOARD OF DIRECTORS | 1 |
| FROM THE CHAIRMAN | 2 |
| NOTICE CALLING THE MEETING | 3 |
| DIRECTOR'S REPORT | 4 |
| CORPORATE GOVERNANCE REPORT | 6 |
| AUDITOR'S CERTIFICATE OF CORPORATE GOVERNANCE | 16 |
| AUDITOR'S REPORT | 17 |
| BALANCE SHEET | 20 |
| PROFIT & LOSS ACCOUNT | 21 |
| SCHEDULES FORMING PART OF THE ACCOUNTS | 22 |
| BALANCE SHEET ABSTRACT | 33 |
| CONSOLIDATED ACCOUNTS | 35 |
| ACCOUNTS OF SUBSIDIARY COMPANY | 36 |



Annual Report & Account 2008

COMPANY INFORMATION

| | | | |
|--|---|--|---|
| BOARD OF DIRECTORS | : | B. Kumar Anurag Agrawal Kusum B. Kumar Meeta Mathur Kunal Mathur Umangbhai M. Vyas B. K. Baheti Ankit Mathur Jitendra Vyas P. V. R. N. Iyer | Chairman Managing Director Whole Time Director Whole Time Director Director Director Director Director Nominee Director Director |
| LEGAL ADVISOR | : | Ashwin Trivedi | |
| AUDITORS | : | H. M. Parikh Sahyog Building, Laldarvaja, Ahmedabad | |
| BANKERS | : | Central Bank of India Bank of Baroda ICICI Banking Corporation Ltd. HDFC Bank Ltd. Ahmedabad District Co-Operative Bank Ltd. Rajkot Nagrik Sahakari Bank Ltd. Axis Bank Ltd. | |
| REGISTERED OFFICE | : | Sterling Greenwoods Limited Sunrise Centre, Opp. Drive-in Cinema, Ahmedabad-380 054. | |
| REGISTRAR & SHARE TRANSFER AGENTS | : | Pinnacle Shares Registry Pvt Ltd. Near Ashoka Mill, Naroda Road, Ahmedabad - 380 025. | |

FROM THE CHAIRMAN

Dear shareholders,

We take pleasure in presenting herewith the annual report of the company for the financial year 2007-2008.

During the year the company was able to maintain healthy growth and good all round performance as indicated by the sector wise review given below.

Real estate :

During the year, the company launched a new township scheme- Sarovar II. The company acquired land and prepared development plans with 500 plots of 500 sq yards in phase I. Sales and marketing was also started. The company was able to achieve 70% growth in real estate turn over.

Greenwood city:

Development work has been in progress. N.A. permission for many new survey numbers was obtained.

Sarovar city I (Sanand Nalsarovar Road) :

The company has made good progress on construction of roads, plantation, survey, plotting, landscaping, street-lights etc. The work on the construction of club house is also in an advanced stage.

Thol lake project :

In this project, further new land has been acquired during the year. Development work of about 80 % has been completed. There was a good demand for these plots and healthy sales turn over has been achieved. Company is in the process of executing the allotment deeds in favor of the plot holders.

Sterling greenwoods club & Lake Resort :

During the year the resort achieved a higher turn over of 12% over previous year. Club construction and interior work was completed for reception center, front plaza, change room, food court, and "Golden Swan" club building. Membership enrollment was started in Oct/Nov 2007. About 90 new members were enrolled during the year.

Phase I of the club is expected to be completed in 08-09 and new members are expected to be enrolled.

Financial performance :

The company has achieved higher turn over in both real estate and resort income the combined increase being about 40%

Dividend :

During the last year Board of Directors had recommended dividend at 8%. However, board is not recommending any dividend for current year considering the financial requirements for the projects in hand.

Future projections :

There is a market downturn and market sentiments are low. The stock market has come down steeply. Real Estate in major metros has been witnessing low demand and downturn trend in prices. Despite a slight down turn in demand /prices, the company is confident of improving its performance further during the year 2008-2009.

The market for Hotels and Resorts has been so far healthy resulting in over all increase in occupancy rates. But, with the completion of the first phase of the Club development and Resort renovation we are expecting to maintain the profitability level for the resort and a good in flow from club memberships during 2008-2009. However, due to the overall downward trend in industry, high crude oil prices, lower GDP projections the Hotel occupancy rates during 2008-09 may witness downward trend.

I thank my colleagues on the board and also express my gratitude to the company's managing director, the full time directors, officer and staff for their un-stinted support and hard work.

Yours sincerely,

Place : Ahmedabad

Date : 30/06/2008

B. Kumar

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of Sterling Greenwood's Limited will be held on 19th September, 2008 at 11.30 a.m. at the company's Greenwood Lake Holiday Resort, Chharodi Farm Complex, off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2008 and Profit & Loss A/c for the year ended on that date and the report of Directors and Auditors thereon.
2. (a) To appoint Director Shri B. K. Baheti, who retires by rotation and being eligible, offers himself for reappointment that has been appointed by the board.
(b) To appoint Director Mrs. Meeta Mathur, who retires by rotation and being eligible offers herself for reappointment who has been appointed by the board.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration

NOTES :

1. A member entitled to attend, vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself, and such proxy need not be a member of the company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. As per provisions of the Companies Act, 1956, shareholders are now entitled to make nomination in respect of shares held by them. Shareholders desirous of making nomination are requested to send their request in Form No. 2B in duplicate to the company.
3. The Equity Shares of the Company are listed at the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001. The annual listing fees for the financial year 2007-2008 have been paid to the Stock Exchange.
4. Members of Physical shares are requested to notify to the registrar any change in their address.

Place : Ahmedabad

Date : 30/06/2008

By Order of the Board of Directors

B. KUMAR

DIRECTOR'S REPORT

To,

To The Members of the STERLING GREENWOODS LTD.

Your Directors have pleasure in presenting the Sixteenth Annual Report of your company together with the Audited Statement of Accounts for the year ended, 31st March 2008.

Financial Results

| Particulars | Rs. in Lacs | |
|---|-------------|-----------|
| | 2007-2008 | 2006-2007 |
| Income from Sales & Operations | 785.46 | 557.35 |
| Other Income | 5.47 | 8.33 |
| Total Income | 790.93 | 565.68 |
| Expenditure during the year | 707.76 | 498.11 |
| Net Surplus from operation before Depreciation | 83.16 | 67.57 |
| Depreciation | 32.14 | 21.78 |
| Profit/Loss before Taxation | 51.02 | 45.79 |
| Provision for Taxation | 17.15 | 15.90 |
| Profit after Taxation | 33.87 | 29.89 |
| Add : Balance b/f from previous year | 290.68 | 267.60 |
| Dividend for Previous Year | 33.92 | Nil |
| Short Provision of Tax on Dividend | 5.76 | 6.81 |
| Balance Profit carried forward to Balance Sheet | 284.87 | 290.68 |

PERFORMANCE REVIEW :

During the year, the Real Estate business of the company has shown an upward trend in comparison to the performance during the previous year. Even the resort business has shown a good growth as compared to the last year.

The Net Profit of the Company is Rs. 51,02,076/- before Taxation in comparison to previous year profit of Rs. 45,78,940/-.

DIVIDEND :

To strike a balance between the need to sustain investments for prospective growth your Directors are not recommending dividend for the year.

PUBLIC DEPOSITS :

During the year, the company has not received public deposits and as on 31.03.2008, the company held no public deposits on its books. Therefore, there are no unclaimed deposits and deposits that matured for payment during the year and were not repaid.

DIRECTORS :

Shri B.K. Baheti, Director, retires by rotation and is eligible offer himself for reappointment.

Smt. Meeta Mathur, Director, retires by rotation and is eligible offer herself for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm.

1. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected Accounting Policies and applied them consistently and made judgments 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 the financial year and of the profit or loss of the company for the year under review.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting Frauds and other irregularities.
4. That the directors have prepared the Annual Accounts for the financial year ended March 31, 2008 on a "Going Concern" basis.

AUDITORS :

M/s. H. M. Parikh, Chartered Accountant, Ahmedabad, the present Auditors hold office until the conclusion of ensuing Annual General Meeting. The company has received a letter from them to the effect that their appointment, if made, would be within prescribed limits Under Section 224 (1) (b) of the Companies Act 1956 and are eligible for reappointment.

AUDITORS REMARKS :

In regard to the remarks of the Auditors in Para 9 of the Annexure to their report of the Notes on Accounts in Schedule 21, is self-explanatory of the position. Interest on the advances, which are not doubtful of recovery, is charged to the Parties and will be payable on redemption of the principal amounts.

PARTICULARS OF EMPLOYEES :

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, there were no employees who were employed during the year and were in receipt of remuneration exceeding Rs.24,00,000/- per annum or who were employed for a part of the year and were in receipt of remuneration exceeding Rs. 2, 00,000/- per month.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUT GO :

The company has no activity relating to conservation of energy or technology absorption. The foreign exchange inflow/outgo during the year was NIL.

ACKNOWLEDGEMENT :

The Board wishes to place on record the valuable co-operation extended by various government departments, Rajkot Nagrik Co-operative Bank & Company's Bankers for their continued assistance guidance and support.

The Board of Directors also grateful to the Employees, Shareholders, Customers and the public for their support and confidence reposed in the Management. Your directors also place on record its appreciation of the dedicated services rendered by the employees to the company at all levels.

Place : Ahmedabad

For and on Behalf of the Board

Date : 30/06/2008

(Anurag Agarwal)
Managing Director

CORPORATE GOVERNANCE

Sterling Greenwood's Limited has established a tradition of the highest standards of corporate governance principals and best practices. The Company is committed to introducing corporate governance practices in tandem with domestics and international developments to position it to conform to the best governance practices.

Our Governance philosophy

The company's philosophy on corporate governance envisages the attainment of the highest levels of transference, accountability and equity in all facets of its operation and in all its interactions with its stakeholders including shareholders, employees, the government, lenders and the society. The company believes that all its operations and actions must be the underlying goal of enhancing overall shareholder value, over a sustained period of time. In our commitment to practice sound governance principles, we are guided by the following core principles:

- ❖ **Transparency**
To maintain the highest standards of transparency in all aspects of our interactions and dealings
- ❖ **Disclosures**
To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- ❖ **Accountability**
To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.
- ❖ **Compliances**
To comply with all the laws and regulations as applicable to the company
- ❖ **Ethical conduct**
To conduct the affairs of the company in an ethical manner
- ❖ **Stakeholders' interests**
To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

Governance practices beyond regulatory requirements

Our governance practices go beyond the statutory and regulatory requirements. Our endeavor is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. With this objective, we have formulated, inter alia, the following policy documents and introduced best practices of governance:

1. **Values and commitments**
We have set out and adopted policy documents on 'values and commitments' of the Company. We believe that any business conduct can be ethical only when it rests on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.
2. **Code of Ethics**
Our policy document on 'code of ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage.
3. **Business policies**
Our 'business policies' contains the policy on fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety & environment and quality.
4. **Separation of the Board's supervisory role from the executive management**
In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management and splitting the posts of chairman and MD.
5. **Prohibition of insider trading policy**
This document contains the policy on prohibiting trading in the equity shares of the Company, based on inside or privileged information.
6. **Prevention of sexual harassment**
Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

7. Whistle blower policy

Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

8. Risk management

Our risk management procedures ensure that the management controls risks through means of a properly defined framework.

I. BOARDROOM PRACTICES

i. Board charter

The board of directors has adopted a comprehensive board charter. The charter has set out matters relating to board composition, scope and functions of the board and its committees, etc.

ii. Tenure of independent directors

Tenure of independent directors on the board of the Company shall not extend beyond stipulated years, subject to their re-appointment on retirement by rotation as per statutory provisions.

iii. Director's interaction with shareholders

Shri B. Kumar and Shri Anurag Agarwal, interact with shareholders on their suggestions and queries which are forwarded to the company secretary.

iv. Meeting of independent directors with operating team

The independent directors of the company meet in executive sessions with the operating teams in each of the respective areas, on a regular basis, as they deem necessary. These executive session discussions may include topics such as, operating policies and procedures; risk management strategies; measures to improve efficiencies; performance and compensation; strategic issues for board consideration; flow of information to directors; management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

v. Commitment of directors

The board meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance of all directors at the meetings of the board and its committees. Such advance planning of meetings enable the directors to plan their commitments, particularly in the context that the meetings of the board normally extend over the entire working day.

J. Governance practices being followed to promote the interests of our stakeholders

We have in the recent past introduced several trend setting governance practices to improve stakeholder satisfaction.

Compliance with clause 49 of the listing agreement

Sterling Greenwoods Limited is fully compliant with the mandatory requirements of clause 49 of the listing agreement formulated by Securities and Exchange Board of India (SEBI).

We present our report on compliance of governance conditions specified in clause 49.

I. BOARD OF DIRECTORS

1. Board composition - Board strength and representation

As at March 31, 2008, the board consisted of ten members. The composition of and the category of directors on the board of the company were as under:

| Category | Particulars of Director |
|-------------------------------|---|
| Promoter & Executive Director | <ul style="list-style-type: none"> - Mr. B. Kumar (Chairman) - Mr. Anurag Agarwal (Mg. Director) - Mrs. Kusum B. Kumar (W.T.D.) - Mrs. Meeta Mathur (W.T. D.) - Mr. Ankit Mathur (Director) - Mr. Umang Vyas (Executive Director) |

| | |
|--|---|
| Promoter & Non Executive Director | - Nil |
| Independent & Non- Executive Director | - Mr.Kunal Mathur (Non-Executive Director) - Mr. B. K. Baheti (Non-Executive Director) - Mr. P. V. Iyer (Non-Executive Director) |
| Nominee Director | - Mr. Jitendra C. Vyas |

2. Conduct of board proceedings

The day-to-day business is conducted by the officers and the managers of the Company under the direction of the board led by the Chairman. The board holds five to six meetings every year to review and discuss the performance of the company, its plans, strategies and other pertinent issues relating to the company.

The board performs the following specific functions in addition to the oversight of the business and the management:

- ❖ Review, monitor and approve major financial and business strategies and corporate actions.
- ❖ Assess critical risks facing the company their mitigation.
- ❖ Provide counsel on the selection, evaluation, development and compensation of senior management.
- ❖ ensure that processes are in place for maintaining the integrity of
 - the company
 - the financial statements
 - compliance with law
 - relationships with all the stakeholders
 - Delegation of appropriate authority to the senior executives of the company or effective management of operations.

3. Board meetings

Twelve Board Meetings were held during the year. They were held on 3rd April 2007, 28th April 2007, 24th June 2007, 21st July 2007, 31st July 2007, 10th September 2007, 20th September 2007, 27th October 2007, 28th January 2008, 31st January 2008, 27th February 2008 and 18th March 2008.

4. Attendance of directors at the Board Meetings held during 2007-08 and the last Annual General Meeting (AGM)

| Directors | Meetings In year | Meetings | AGM Attended |
|-----------------------|------------------|----------|--------------|
| Shri B. Kumar | 12 | 11 | 1 |
| Shri Anurag Agarwal | 12 | 11 | 1 |
| Smt. Kusum B. Kumar | 12 | 11 | 1 |
| Smt. Meeta Mathur | 12 | 5 | Nil |
| Shri Umang Vyas | 12 | 11 | 1 |
| Shri Kunal Mathur | 12 | 5 | Nil |
| Shri B. K. Baheti | 12 | 11 | 1 |
| Shri Ankit Mathur | 12 | 11 | 1 |
| Shri Jitendra C. Vyas | 12 | 4 | Nil |
| Shri P.V. Iyer | 12 | 4 | Nil |

Notes:

- None of Directors has business relationship with the Company.
- None of the director receive any loans and advances from the Company.

5. Other directorships

None of the directors holds directorships in more than 15 public limited companies. The details of directorships (Including private limited, foreign company and companies under section 25 of the Companies Act, 1956), Chairmanships and the Committee memberships held by the directors as on March 31, 2008

| Name of Directors | Number of other Membership / Directorship |
|-----------------------|---|
| Shri B. Kumar | 3 |
| Shri Anurag Agarwal | 2 |
| Smt. Kusum B. Kumar | 3 |
| Smt. Meeta Mathur | 1 |
| Shri Umang Vyas | Nil |
| Shri Kunal Mathur | Nil |
| Shri B. K. Baheti | Nil |
| Shri Ankit Mathur | Nil |
| Shri Jitendra C. Vyas | Nil |
| Shri P.V. Iyer | 1 |

Notes :

- The information provided above pertains to the following committees in accordance with the provisions of clause 49 of the listing agreement:
 - Audit committee
 - Shareholders/investors' grievances committee
- Membership of committees includes chairmanship, if any.

6. Membership of board committees

No director holds membership of more than 10 committees of boards nor is any director a chairman of more than 5 committees of boards.

7. Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

❖ Shri B. Kumar :

He is Chairman of the company and looking after matters of the Lake & Resort development of the company. Mr. B. Kumar promoted the Company and a talented civil engineer. He was having an experience of 47 years in the field of construction and real estate. He is also Director of the other group companies: - Sterling Resort Private Limited, Greenwood Recreation Private Limited & Greenwoods Organisers and Engineers Private Limited.

❖ Shri Anurag Agarwal :

He is the Managing Director of the Company and having wide experience of Exports of textile goods and more than 20 years of experience in the field of Land Development and like fields. He was looking after the Land Business and overall Financial matters of the Company .He is also Director of the other group Companies:-Greenwood Organizers and Engineers Private Limited & Paksh Developers Private Limited.

❖ Smt. Kusum B. Kumar :

She is the Whole Time Director in the Company. A well experienced woman having wide knowledge of housekeeping and hospitality. She is also Director of the other group companies:- Sterling Resort Private Limited, Greenwood Recreation Private Limited & Greenwoods Organisers and Engineers Private Limited.

❖ Smt. Meeta Mathur :

She is the Whole Time Director of the Company. A young architect expert in town planning. She is Director of the other group company:- Sterling Resort Private Limited.

❖ **Shri Kunal Mathur :**

He is the Director of the Company and practicing as architecture in Delhi from 1982. Working as a partner in Architect Yetinder Mathur (firm name) since 1982. Have offices in New Delhi and Head Office in Chandigarh. Notable projects in Ahmedabad: Sterling Hospital and Sabarmati Inland Dry Port for Container Corporation of India. Passed from School of Architecture, CEPT, India's premier school for Architecture and is a member of Council of Architecture.

❖ **Shri Ankit Mathur :**

He is Bachelor of Science in Electrical Engineering from University from California, Irvine, United States and MBA also from USA. After completing his education he has joined the family business. He was having an experience of 2 years in the field of construction, real estate and Resort Business.

❖ **Shri Umang Vyas :**

He is the Director of the Company and full-time working with the company since last 15 years. He is looking after real estate business. He was having an experience of 27 years in the field of construction and real estate.

❖ **Shri B. K. Baheti :**

A practicing Chartered Accountant since 1984, Director in Company as a professional Independent Director looking after accounts, financial planning and income tax planning of the Company.

❖ **Shri Jitendra Vyas :**

He is the Nominee Director in the Company. He is having more than 25 years of experience in the banking sector and He is the manager in the Rajkot Nagrik Co.op. Bank Ltd.

❖ **Shri P. V. Iyer :**

He is an Independent Director in the Company. He is also Director of the other company- Optisurgicare (India) Private Limited

8. Insurance coverage

The company has not obtained director's liability insurance coverage in respect of any legal action that might be initiated against directors.

II. Audit Committee :

- The Audit Committee has been constituted w.e.f. January 2003. Audit Committee presently comprises none of Non Executive Directors.

All the members of Audit Committee have good knowledge of finance, accounts and company law. The chairman of committee has financial management expertise. Mr. B. K. Baheti is an eminent chartered accountant and has accounting and related financial management expertise. The committee held 4 meetings during the year. The audit committee also advises the management on the areas where internal audit can be improved. The minutes of the meetings of the audit committee are placed before the board. The terms of reference of the audit committee are in accordance with all the items listed in clause 49 (II) (D) and (E) of the listing agreement and section 292A of the Companies Act, 1956, as follows:

1. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
2. Recommending the appointment, reappointment and replacement/removal of statutory auditors and fixation of audit fee.
3. Approve payment for any other services by statutory auditors.
4. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
 - a. Matters required being included in the directors' responsibility statement included in the report of the board of directors.
 - b. Any changes in accounting policies and practices.
 - c. Major accounting entries based on exercise of judgment by management.
 - d. Qualifications in draft statutory audit report.
 - e. Significant adjustments arising out of audit.

- f. Compliance with listing and other legal requirements concerning financial statements.
- g. Any related party transactions.
5. Reviewing with the management the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and Seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee has the following powers :

- i. To investigate any activity within its terms of reference.
- ii. To seek any information from any employee.
- iii. To obtain outside legal and professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

Attendance at the meetings of the Audit committee held during year 2007-08

| Directors | Meetings in year | Attended |
|-------------------|------------------|----------|
| Shri B. Kumar | 4 | 4 |
| Shri Umang Vyas | 4 | 4 |
| Shri B. K. Baheti | 4 | 4 |

The Audit Committee held meetings on 24th June 2007, 31st July 2007, 27th October 2007, 28th January 2008. The meetings are regularly held at the end of each quarter.

III. Nomination / Remuneration Committee

The nomination/remuneration committee of the board is constituted to formulate from time to time,

- (a) Process for selection and appointment of new directors and succession plans; and
- (b) A compensation structure for the members of the board. Mr. B. Kumar is the Chairman of the Committee and the other members are Mr. Anurag Agarwal and Mr. Umang Vyas. The Company currently has six executive Directors.

The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent.

The Company does have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme.

Total remuneration paid to Directors of the Company during the year ended March 31, 2008 is Rs.52.24 Lacs.

Notes :

- a. The company has not entered into any other pecuniary relationship or transactions with the non-executive directors.
- b. The company has so far not issued any stock options to its directors.

Equity shares held by directors :

Particulars of Equity Shares held by the director as on 31 March 2008 are as follows

| Name of Directors | Equity Shares Held |
|---------------------|--------------------|
| Shri B. Kumar | 835728 |
| Shri Anurag Agarwal | 500000 |
| Smt. Kusum B. Kumar | 646204 |
| Smt. Meeta Mathur | 1111375 |

Directors' remuneration policy :

The nomination / remuneration committee determines, the compensation of the directors including their commission and ESOPs. The key components of the company's remuneration policy are:

- Compensation will be a major driver of performance and contribution.
- Compensation will be competitive and benchmarked with a selected group of companies from the financial services sector.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

IV. Shareholders/investors' grievances committee :

The shareholders/investors' grievances committee of the Board currently comprises

Shri Umang Vyas

Shri B. K. Baheti

Particulars of investors' complaints received is as follows

| Particulars | No. of Quarries received | Quarries Received Solved |
|----------------------------------|--------------------------|--------------------------|
| Transfer of Shares | Nil | Nil |
| Non-receipts of Annual Report | Nil | Nil |
| Non-receipt of Dividend warrants | Nil | Nil |
| Pending Share Transfer | Nil | Nil |

The Particulars of meetings held during the year are furnished hereunder.

| Directors | No. of. Meetings Held | No of. Meeting attended |
|-------------------|-----------------------|-------------------------|
| Shri Umang Vyas | 5 | 5 |
| Shri B. K. Baheti | 5 | 5 |

The meetings are held on 30th June 2007, 10th September 2007, 30th September 2007, 31st December 2007 and 31 March 2008.

V. General Body Meetings :

The company held its last three Annual General Meetings as under:

- For 2006-07 at The Greenwood Lake Holiday Resort, Chharodi Farm Complex, Srakhej Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad, on Saturday 29th September 2007 at 11:00 A.M.
- For 2005-06 at The Greenwood Lake Holiday Resort, Chharodi Farm Complex, Srakhej Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad, on Friday 25th August, 2006 at 11:00A.M.
- For 2004-05 at The Greenwood Lake Holiday Resort, Chharodi Farm Complex, Srakhej Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad, on Wednesday 31st August, 2005 at 11:00 A.M.

VI. Means of communication

Information like quarterly financial results and media releases on significant developments in the company as also presentations that have been made from time to time to the media and has been submitted to the stock exchanges on which the company's equity shares are listed, to enable them to put them on their own web sites. The Quarterly financial results are published generally in "The Western Times" (English and Gujarati)

VII. General Shareholders Information

1. Annual General Meeting : 19th September 2008
Date, Time and Venue : 11:00 A.M.
Green Wood Lake Holiday Resort,
Chharodi Farm Complex,
Chharodi, Ahmedabad
2. Financial Calendar
 - Results for First quarter : On or Before 31st July, 2008
Ended on 30th June, 2008
 - Results for Second quarter : On or Before 31st October, 2008
Ended on 30th September, 2008
 - Result for the Third quarter : On or Before 31st January, 2008
Ended on 31st December, 2008
 - Results for the Financial Year : On or Before 30th June, 2009
Ending on March, 2009
3. Date of Book Closure : 13th Sept. 2008 to 19th Sept. 2008
4. Registered Office and Shares Department : "Sunrise" Centre, Opp. Indraprasth Tower,
Drive-in-Cinema Road, Ahmedabad.
5. Registrar & Share Transfer Agent : Pinnacle Shares Registry Pvt. Ltd.
Near Ashoka Mill, Naroda, Ahmedabad
Phone: (079)22200338, 22200582 Fax : 91-079-22202963
E-mail : investor.service@psrpl.com
6. Investor Service Centre : "Sunrise" Centre, Opp. Indraprasth Tower,
Drive-in-Cinema Road, Ahmedabad.
Phone No.: (079) 26851680, 26850935
Fax No.: (079) 26854773
E-mail: sgwlr@yahoo.com
7. Plant Location : N. A.
8. Listing on Stock Exchanges : Bombay Stock Exchange Limited
Stock Code : 526500
Demate ISIN in NSDL & CDSL : INE00398F01019
9. Market Price Data during 2007-2008

| Month | Share Price (High) | Share Price (Low) |
|-----------|--------------------|-------------------|
| April | 27.00 | 18.00 |
| May | 26.00 | 19.00 |
| June | 32.00 | 22.00 |
| July | 30.00 | 20.00 |
| August | 32.00 | 22.00 |
| September | 34.00 | 24.00 |
| October | 28.00 | 15.00 |
| November | 23.00 | 15.00 |
| December | 22.00 | 16.00 |
| January | 21.00 | 15.00 |
| February | 20.00 | 14.00 |
| March | 19.00 | 12.00 |

10. Distribution of Share Holding on 31st March, 2008

| Distribution of Shares (Slab wise) | No. of (Shareholders) | Percentage to total no. of shareholders | No. of shares held | Percentage to total share capital |
|------------------------------------|-----------------------|---|--------------------|-----------------------------------|
| Upto 500 | 1665 | 90.15 | 269500 | 6.36 |
| 501-1000 | 84 | 4.55 | 73900 | 1.74 |
| 1001-2000 | 45 | 2.44 | 72800 | 1.72 |
| 2001-3000 | 15 | 0.81 | 35300 | 0.83 |
| 3001-4000 | 3 | 0.16 | 10500 | 0.25 |
| 4001-5000 | 1 | 0.05 | 5000 | 0.12 |
| 5001-10000 | 9 | 0.49 | 67581 | 1.59 |
| 10000 & More | 25 | 1.35 | 3705107 | 87.39 |
| Total | 1847 | 100 | 4239688 | 100 |

Share Transfer System :

The Company has appointed Pinnacle Shares Registry Private Limited for Demat and Physical Shares. Share transfer requests received in physical form are registered within 15 days from the date of receipts and Demat request are normally confirmed within an average of 15 days from the date of receipt.

Dematerialization of Shares :

As per the Notification issued by SEBI, the shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 1st June, 2002.

As on 31st March, 2008 out of 4239688 fully paid up equity shares of Rs.10/- each listed with the stock Exchanges 2776988 has been demated.

Outstanding GDRs, ADRs, Warrants or any Convertible Instruments etc : Nil

VII. Compliance with other mandatory requirements

1. Management discussion and analysis

A management discussion and analysis report forms part of the annual report and includes discussions on various matters specified under clause 49(IV) (F) of the listing agreement.

2. Subsidiaries

The company have subsidiary company as per clause 49 (III) of the listing agreement namely Sterling Resort Private Limited.

3. Disclosures

a. Related party transactions

The company has entered into related party transactions as set out in the notes to accounts, which are not likely to have a conflict with the interest of the company.

b. No Penalty or strictures

No penalty or stricture has been imposed on the company by the stock exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during last year.

c. Disclosure of accounting treatment

In the preparation of financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

d. Disclosures on risk management

The company has laid down procedures to inform the members of the board about the risk assessment and minimization

procedures. A risk management committee consisting of senior executives of the company periodically reviews these procedures to ensure that executive management controls risk through means of a properly defined framework. The company has framed the risk assessment and minimization procedure which is periodically reviewed by the Audit Committee and the Board.

f. Code of conduct

The Company adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the board, senior management. The board members and senior management have affirmed their compliance with the code, and a declaration signed by the Shri B. Kumar Chairman of the Company appointed is given below:

"It is hereby declared that the company has obtained from all members of the board and senior management affirmation that they have complied with the code of conduct for directors and senior management of the company for the year 2007-08."

B. Kumar
Chairman

g. Review of directors' responsibility statement

The board in its report has confirmed that the annual accounts for the year ended March 31, 2008 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

VII. Compliance with non-mandatory requirements

1. Remuneration Committee

The board has set up a remuneration committee details whereof are furnished at Sr. No. III of this report.

2. Shareholder rights

The quarterly financial results including summary of significant events of relevant period of three months are published in newspapers

3. Audit qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the company.

4. Whistle blower policy

The company has formulated a policy to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, gross waste or misappropriation of public funds, substantial and specific danger to public health and safety or an abuse of authority. The policy also lays down the mechanism for making enquiry in to whistle blower complaint received by the company.

Employees are aware of any alleged wrongful conduct are encouraged to make a disclosure to the audit committee. Employees knowingly making false allegations of alleged wrongful conduct to the audit committee shall be subject to disciplinary action. No personnel of the company have been denied access to the grievance-redressed mechanism of the company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Sterling Greenwood's Limited

We have examined the compliances of conditions of Corporate Governance by Sterling Greenwood's Limited ('the Company') for the year ended on 31 March 2008 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 Management. Our examination was limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit or nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

We state that no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee/ Management of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad

Date : 30/06/2008

For, H. M. PARIKH
CHARTERED ACCOUNTANT

(H. M. PARIKH)
(Proprietor)

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of STERLING GREENWOODS LIMITED. as at 31/03/2008 and related Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An Audit Includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 as amended in 2004 issued by the Central Government of India in terms of sub-section (4-A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a Statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (1) above, we state 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, the Company has kept proper books of account as required by law so far as appears from our examination of the Books.
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt by this report are in agreement with the books of accounts of the Company.
- (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 written representations received from the directors as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with the notes thereon, give the information required under the Companies Act, 1956, 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 Balance Sheet of the state of affairs of the Company as at 31st March, 2008.
 - (b) In the case of Profit & Loss Account of the Profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date. .

Place : Ahmedabad

Date : 30/06/2008

For, H. M. PARIKH
CHARTERED ACCOUNTANT

(H. M. PARIKH)
(Proprietor)

ANNEXURE TO THE AUDITORS REPORT

Annexure to the Auditor's Report referred to in paragraph 1 of our report of even date on the accounts of Sterling Greenwoods Limited for the period ended on 31st March 2008.

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the year. No serious discrepancies have been noticed on such verification.
(c) In our opinion and according to the information and explanation given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- II. (a) The stocks of finished goods, stores and spares have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of stock records, in our opinion the stock records, in our opinion the company is maintaining proper records of stock. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted unsecured loans to other Companies covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The Company has taken loans, secured or unsecured from companies, firms and other parties covered in register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there is adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials, including components, plant & machinery, equipments and other assets and with regard to the sale of goods. Further on the basis of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across nor have been informed of any continue failure to correct major weakness in the aforesaid internal control procedures.
- V. According to the information given to us, there are transactions during the year that has been entered into the register in pursuance of section 301 of the Companies Act, 1956.
- VI. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- VII. In our opinion, the Company has an internal audit system commensurate with its size and nature of Business.
- VIII. The Central Government has not prescribed for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX. According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth-Tax, Sales-Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- X. The Company has no accumulated losses.
- XI. The Company is not a chit fund and nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 we are not applicable to the Company.
- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not dealing or trading in shares, securities, debentures and other investments.

Sterling Greenwood's Ltd.



annual report & account 2008

- XIV. The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
- XV. According to the records of the Company, term loans have been taken during the year.
- XVI. 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 on short – term basis have been used for long – term investment. No long-term funds have been used to finance short-term assets.
- XVII. During the year, the Company has not made any preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Act.
- XVIII. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- IX. The Company has not raised any money by the public issue during the year.
- XX. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

Place : Ahmedabad

Date : 30/06/2008

For, H. M. PARIKH
CHARTERED ACCOUNTANT

(H. M. PARIKH)
(Proprietor)

BALANCE SHEET AS AT 31ST MARCH 2008

| SR NO | PARTICULARS | SCH. NO. | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|-------|---|----------|------------------|------------------|------------------|------------------|
| I | SOURCES OF FUNDS | | | | | |
| A. | SHARE HOLDERS FUNDS : | | | | | |
| | (i) Share Capital | 1 | 42396880 | | 42396880 | |
| | (ii) Reserves & Surplus | 2 | 175333130 | | 176179085 | |
| | | | | 217730010 | | 218575965 |
| B. | LOAN FUNDS : | | | | | |
| | (i) Secured Loans | 3 | 21085250 | | 11352619 | |
| | (ii) Unsecured Loans | 4 | 86458891 | | 68418100 | |
| | | | | 107544141 | | 79770719 |
| | TOTAL | | | 325274151 | | 298346684 |
| II | APPLICATION OF FUNDS | | | | | |
| A. | FIXED ASSETS : | | | | | |
| | (i) Gross Block | 5 | 269824910 | | 255026974 | |
| | (ii) Less Depreciation | | 25878012 | | 22581604 | |
| | (iii) Net Block | | | 243946898 | | 232445371 |
| | Capital Work in Progress- Vichchiya | | | 5523214 | | 2197657 |
| B. | INVESTMENTS : | 6 | | 7660169 | | 7660169 |
| C. | CURRENT ASSETS, LOANS & ADVANCES | | | | | |
| | (1) CURRENT ASSETS : | | | | | |
| | (i) Inventory | 7 | 31713544 | | 38023215 | |
| | (ii) Sundry Debtors | 8 | 19784122 | | 32482399 | |
| | (iii) Cash & Bank Balances | 9 | 2135834 | | 1719772 | |
| | (2) LOANS AND ADVANCES : | 10 | 33661900 | | 9479333 | |
| | TOTAL CURRENT ASSETS | | 87295400 | | 81704719 | |
| | (3) LESS : CURRENT LIABILITIES & PROVISIONS | 11 | 19151533 | | 25661230 | |
| | NET CURRENT ASSETS | | | 68143867 | | 56043487 |
| | TOTAL | | | 325274151 | | 298346684 |
| | Significant Accounting Policies & Notes on Accounts | 21 | | 0 | | 0 |

As per our Separate report of even date attached.

For, H. M. PARIKH
Chartered Accountant

B. KUMAR
Chairman

ANURAG AGARWAL
Managing Director

B. K. BAHETI
Director

(H. M. PARIKH)
Proprietor

KUSUM B. KUMAR
Director

ANKIT MATHUR
Director

PLACE : AHMEDABAD
Date : 30-6-2008

PLACE : AHMEDABAD
Date : 30-6-2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AT 31.03.2008

| PARTICULARS | SCH. NO. | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|--|----------|------------------|------------------|------------------|------------------|
| INCOME : | | | | | |
| Income From Sales & Operations | 12 | | 78546442 | | 55735041 |
| Other Income | 13 | | 546620 | | 126874 |
| Profit on sale of Tractors | | | 0 | | 705851 |
| | | | 79093062 | | 56567766 |
| EXPENDITURE : | | | | | |
| Land Consumed | 14 | | 21839367 | | 13537763 |
| Land Schemes Development & Maintenance | 15 | | 9576293 | | 4392686 |
| GWLR Operations | 16 | | 18550290 | | 16712438 |
| Salaries, Wages & other employee Benefits | 17 | | 2183454 | | 1585154 |
| Managerial Remuneration | | | 5224000 | | 3800000 |
| Administrative Expenses | 18 | | 7351872 | | 6192572 |
| Selling Expenses | 19 | | 2165412 | | 1379095 |
| Interest & Finance Charges | 20 | | 3753686 | | 2211221 |
| Depreciation | | 3479143 | | 2442750 | |
| Less :Trans. to Revaluation Reserve | | 264853 | | 264853 | |
| | | | 3214290 | | 2177897 |
| | | | 73990986 | | 51988826 |
| PROFIT/LOSS BEFORE TAXATION | | | 5102076 | | 4578940 |
| Less : Provision for Taxation | | | 1675000 | | 1550000 |
| Less : FBT Paid / Provision | | | 40000 | | 40000 |
| PROFIT/LOSS AFTER TAXATION | | | 3387076 | | 2988940 |
| ADD : Surplus Brought Forward from previous year | | | 29067663 | | 26759864 |
| Less : Dividend for the Previous Year | | | 3391750 | | 0 |
| Less : Short Provision Income Tax/ Dividend Tax | | | 576428 | | 681141 |
| Balance Available for Appropriation | | | 28486561 | | 29067663 |
| Significant Accounting Policies & Notes on Account | 21 | | | | |

As per our Separate report of even date attached.

For, H. M. PARIKH
Chartered Accountant

B.KUMAR
Chairman

ANURAG AGARWAL
Managing Director

B.K.BAHETI
Director

(H. M. PARIKH)
Proprietor

KUSUM B. KUMAR
Director

ANKIT MATHUR
Director

PLACE : AHMEDABAD
Date : 30-6-2008

PLACE : AHMEDABAD
Date : 30-6-2008

SCHEDULES FORMING PART OF THE ACCOUNTS

| PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|---|---------------------|---------------------|---------------------|---------------------|
| SCHEDULE : 1 : | | | | |
| SHARE CAPITAL : | | | | |
| Authorised : 50,00,000 | | 50000000 | | 50000000 |
| Equity Shares of Rs. 10/- Each issued | | | | |
| 4322788 Equity Shares of Rs. 10/- Each | | | | |
| Subscribed 4239688 Equity Shares | | | | |
| of Rs. 10 /- Each | 42396880 | | 42396880 | |
| (Out of 4239688 Shares, 1722788 | | 42396880 | | 42396880 |
| Shares of Rs. 10/- each were allotted as | | | | |
| fully paid up in lieu of share holding in | | | | |
| M/S Sterling Enterprises in terms of | | | | |
| clause V of Memorandum of Association | | | | |
| without payment being received in cash.) | | 42396880 | | 42396880 |
| SCHEDULE : 2 : | | | | |
| RESERVES AND SURPLUS : | | | | |
| REVALUATION RESERVE | | | | |
| Balance as per last year | 146648342 | | 55313195 | |
| Add. : Revaluation during the year | 0 | | 91600000 | |
| LESS:- Transfer to P&L A/c. | 264853 | | 264853 | |
| | | 146383489 | | 146648342 |
| FORFIETED EQUITY SHARES | | 463080 | | 463080 |
| (71,600 Forfeitted Equity Shares) | | | | |
| PROFIT & LOSS ACCOUNT | | 28486561 | | 29067663 |
| | | 175333130 | | 176179085 |
| SCHEDULE : 3 : | | | | |
| SECURED LOANS : | | | | |
| (A) Term Loan Notes | | | | |
| From Banks 1 | | 18911517 | | 11352619 |
| (B) Cash Credit | | | | |
| From Banks 2 | | 2173733 | | 0 |
| TOTAL | | 21085250 | | 11352619 |
| NOTES : | | | | |
| 1. Secured by way of first charge of | | | | |
| immovable equitable mortgage of the | | | | |
| properties of the company and | | | | |
| additionally guaranteed by personal | | | | |
| guarantee of three directors. | | | | |
| 2. Secured by way of first charge of | | | | |
| equitable mortgage of the immovable | | | | |
| properties of the company, material and | | | | |
| additionally guaranteed by personal | | | | |
| guarantee of three directors. | | | | |

| PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|---|---------------------|---------------------|---------------------|---------------------|
| SCHEDULE : 4 : | | | | |
| UNSECURED LOANS : | | | | |
| Deposit From Others | | 9861089 | | 8775405 |
| Deposit & advances from society | | 68218568 | | 51092869 |
| Development & Maintenance | | 782744 | | 782744 |
| Deposit from GWLR scheme members | | 7596490 | | 7767082 |
| TOTAL | | 86458891 | | 68418100 |
| SCHEDULE : 6 : | | | | |
| INVESTMENTS (Nontrade, Unquoted at cost) | | | | |
| 11012 Shares of Peoples Co-Op. Bank Ltd. of Rs. 25/- each fully paid-up. | | 275300 | | 275300 |
| 1100 Shares of Development Co-Op. Bank Ltd. of Rs. 10/- each fully paid-up. | | 11000 | | 11000 |
| 64179 Equity shares of Sterling Resorts Pvt. Ltd. of Rs. 10 each fully paid. | | 7123869 | | 7123869 |
| 10000 Shares of Rajkot Nagrik Sahakari Bank Ltd. of Rs. 25/- each fully paid up | | 250000 | | 250000 |
| TOTAL | | 7660169 | | 7660169 |
| SCHEDULE : 7 : | | | | |
| INVENTORIES (As Taken, Valued & Certified by the Managing Director) | | | | |
| Stores and tools(Valued at Cost) | | | | |
| GWLR Stock | | 167844 | | 172594 |
| Land Stock | | 31545700 | | 37850621 |
| TOTAL | | 31713544 | | 38023215 |
| SCHEDULE : 8 : | | | | |
| SUNDRY DEBTORS : | | | | |
| 1. (a) Outstanding over Six Months | 19784122 | | 21521784 | |
| (b) others | 0 | | 10960615 | |
| Sub-Total | | 19784122 | | 32482399 |
| TOTAL | | 19784122 | | 32482399 |
| SCHEDULE : 9 : | | | | |
| CASH & BANK BALANCES : | | | | |
| Cash on hand | | 173328 | | 136684 |
| (i) Balances with Scheduled Banks in Current A/c | | 1232579 | | 577669 |
| (ii) Balances with Non Scheduled Banks in Current A/c | | 729927 | | 1005419 |
| TOTAL | | 2135834 | | 1719772 |

**SCHEDULE : 5 :
FIXED ASSETS**

| SR. No. | PARTICULARS | GROSS BLOCK | | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---------|-------------------------|-----------------------|------------------------|------------------------|-----------|--------------------------|---------------------|-----------------------|-------------------|-------------------|-----------|--------------------|-------------------|-------------------|
| | | Op. Bal. As on 1-4-07 | Add More than 180 days | Add Less than 180 days | Uplift | Disposal or TRS to Stock | Total As on 31-3-08 | Op. Bal. As on 1-4-07 | Depr. During Year | Uplift Depr. Year | Deduction | Total Dep. 31-3-08 | Net Block 31-3-08 | Net Block 31-3-07 |
| 1 | LAND | 87460715 | 0 | 0 | 61673254 | 0 | 87460715 | 0 | 0 | 0 | 0 | 0 | 87460715 | 67460715 |
| 2 | BUILDING | 137497340 | 2062444 | 414949 | 87848628 | 0 | 139974733 | 9418314 | 2074852 | 264853 | 0 | 11493166 | 128481567 | 126161258 |
| 3 | PLANT & MACHINERY | 16716172 | 1147366 | 5915359 | 0 | 0 | 23778897 | 7375345 | 693888 | 0 | 0 | 8069233 | 15709664 | 9355212 |
| 4 | VEHICLES | 4834282 | 1503240 | 276432 | 0 | 673056 | 5940898 | 1464964 | 401921 | 0 | 182735 | 1684150 | 4256748 | 3357318 |
| 5 | FURNITURE | 8484661 | 2446708 | 1692497 | 0 | 0 | 12623865 | 4322981 | 308482 | 0 | 0 | 4631463 | 7992403 | 4161679 |
| 6 | LIVE STOCK | 33801 | 0 | 20000 | 0 | 8000 | 45801 | 0 | 0 | 0 | 0 | 0 | 45801 | 33801 |
| | TOTAL | 255026972 | 7159758 | 8319237 | ---- | 681056 | 269824910 | 22581604 | 3479143 | 264853 | 182735 | 25878012 | 243946898 | 210529983 |
| | CAP. W.I.P. (MICHCHIYA) | 2067657 | 2048457 | 1269145 | 0 | 0 | 5385259 | 0 | 0 | 0 | 0 | 0 | 5385259 | 2197657 |
| | CAPITAL W.I.P. (THOL) | 0 | 65415 | 72540 | 0 | 0 | 137955 | 0 | 0 | 0 | 0 | 0 | 137955 | 0 |
| | TOTAL | 2067657 | 2113872 | 1341685 | 0 | 0 | 5523214 | 0 | 0 | 0 | 0 | 0 | 5523214 | 2197657 |
| | PREVIOUS YEAR | 147099766 | 2010492 | 15229753 | 149521882 | | 255026974 | 20219407 | 2442750 | 264853 | 80554 | 22581604 | 232445370 | 126880359 |

Sterling Greenwood's Ltd.



annual report & account 2008

| PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|---|---------------------|---------------------|---------------------|---------------------|
| SCHEDULE : 10 : | | | | |
| LOANS & ADVANCES : | | | | |
| (a) Advances Recoverable in cash or in kind or for value to be received | | 2456489 | | 1310395 |
| (b) Advances to Suppliers | | 276285 | | 1050948 |
| (c) Advances to Others | | 16063114 | | 4521801 |
| (d) Advances to Staff | | 204494 | | 178393 |
| (e) Advance Income Tax | | 4588343 | | 2137696 |
| (f) Sundry Deposits | | 10073175 | | 280100 |
| TOTAL | | 33661900 | | 9479333 |
| SCHEDULE : 11 : | | | | |
| CURRENT LIABILITIES & PROVISIONS : | | | | |
| CURRENT LIABILITIES | | | | |
| 1. Sundry Creditors for Goods & Expenses | | 5237340 | | 7681533 |
| 2. Tax Deducted at Source | | 762546 | | 377580 |
| 3. Advances from Customers | | 1455534 | | 9417866 |
| 4. Other liabilities | | 4086020 | | 3314923 |
| Sub TOTAL | | 11541440 | | 20791902 |
| PROVISIONS | | | | |
| Provision For Taxation | | 1715000 | | 318469 |
| Service Tax | | 2227068 | | 18250 |
| Others | | 3668026 | | 4532609 |
| Sub TOTAL | | 7610094 | | 4869328 |
| TOTAL | | 19151534 | | 25661230 |
| SCHEDULE : 12 : | | | | |
| INCOME FROM SALES & OPERATIONS : | | | | |
| Resort Membership Sales | | 266342 | | 327642 |
| Resort Operation and Room Occupancy | | 26180525 | | 23239835 |
| Income from Resale of Land | | 26750675 | | 8085976 |
| Land Scheme Developments Income | | 8787977 | | 7889178 |
| Land Scheme - Maintenance Income | | 16560923 | | 16192410 |
| TOTAL | | 78546442 | | 55735041 |

| PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|--|---------------------|---------------------|---------------------|---------------------|
| SCHEDULE : 13 : OTHER INCOME : | | | | |
| Interest Income | | 365370 | | 0 |
| Miscellaneous Income | | 181250 | | 126874 |
| TOTAL | | 546620 | | 126874 |
| SCHEDULE : 14 : | | | | |
| Land Consumed | | | | |
| Opening Stock | 37850621 | | 35718250 | |
| Land Purchased | 15534446 | | 15670134 | |
| | | 53385067 | | 51388384 |
| Less : Closing Stock | | 31545700 | | 37850621 |
| | | 21839367 | | 13537763 |
| SCHEDULE : 15 : LAND SCHEMES DEVELOPMENT & MAINTAINENCE | | | | |
| Development Expenses - Schemes | | 9576293 | | 4392686 |
| TOTAL | | 9576293 | | 4392686 |
| SCHEDULE : 16 : GWLR OPERATIONS : | | | | |
| Electricity Expenses | | 2694711 | | 3012404 |
| Administrative Expenses | | 9809036 | | 7427878 |
| GWLR Resort Maintenance | | 362596 | | 414322 |
| Stores & Food Expenses | | 5683947 | | 5778244 |
| Programme Expenses | | 0 | | 79590 |
| TOTAL | | 18550290 | | 16712438 |

Sterling Greenwood's Ltd.



annual report & account 2008

| PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|---|---------------------|---------------------|---------------------|---------------------|
| SCHEDULE : 17 : SALARIES, WAGES AND OTHER EXPENSES : | | | | |
| Salaries, Wages and Bonus | | 1992157 | | 1342554 |
| Contribution to P.F. | | 141364 | | 235209 |
| Staff Welfare Expenses | | 49933 | | 7391 |
| TOTAL | | 2183454 | | 1585154 |
| SCHEDULE : 18 : ADMINISTRATIVE EXPENSES : | | | | |
| Rent, Rates and Taxes | | 163786 | | 1303556 |
| Repairs & Maintenance | | 125105 | | 124489 |
| Stationery & Printing Expense | | 300880 | | 122242 |
| Travelling & Conveyance Exp. | | 68579 | | 89550 |
| Vehicle Expenses | | 400479 | | 233207 |
| Legal & professional Fees | | 3149257 | | 3450222 |
| Auditors Remuneration | | 55000 | | 50000 |
| General Expenses | | 550020 | | 516012 |
| Misc balances written off | | 11698 | | 258561 |
| Service Tax | | 2527068 | | 44733 |
| TOTAL | | 7351872 | | 6192572 |
| SCHEDULE : 19 : SELLING EXPENSES : | | | | |
| Sales Promotion | | 28228 | | 998604 |
| Advertisement Exp. | | 252753 | | 225402 |
| Sales Commission & Discount | | 1884431 | | 155089 |
| TOTAL | | 2165412 | | 1379095 |
| SCHEDULE : 20 : INTEREST/FINANCE CHARGES : | | | | |
| To Bank & Others | | 3753686 | | 2211221 |
| TOTAL | | 3753686 | | 2211221 |

SCHEDULE – 21

SIGNIFICANT ACCOUNTING POLICES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2008.

NOTES ON ACCOUNTS

1. The Company was incorporated on 14th May, 1992 under Part IX of the Companies Act 1956 all the assets and liabilities of the erstwhile joint stock company viz. M/s. Sterling Enterprises at the values stated in the books were vested in the company on its incorporation under the provisions of Section 575 of the companies Act 1956. Action for formal transfer / mutation of titles of assets & investments, in companies name in some cases is yet pending.
2. The previous year's figures have been regrouped and recast wherever necessary so as to make them comparable with those of current year.
3. The further liability for gratuity payable in accordance with the provisions of payment of Gratuity Act has not been actuarially determined and provided for.
4. The Income Tax Department has served demand notice to the company for A.Y. 1995-96 of Rs.13,70,407/-. The cases are still pending at the appellate level during the year.
5. Balance of Sundry Debtors, Sundry Creditors, Loans and Advances given and taken are subject to confirmation; adjustment if any will be made receipt thereof.
6. The Company has transferred certain assets to stock in trade during PY 2005-06. Out of those, stock, which has been sold out the Capital Gain Tax, has been considered and paid out. There is still certain unsold stock of such transfer on which Capital Gain Tax will be payable as and when stock is sold out. The Company is deferring such tax liability under the Income Tax Act.

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS:

Accounts are prepared under historical cost convention and on the accounting principles of a going concern.

2. SYSTEM OF ACCOUNTING:

The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis except in respect of the following

- (i) Bonus/Gratuity / Leave Encashment expenses are accounted for on payment basis.
- (ii) Dividend Income is accounted for on receipt basis.
- (iii) Interest on some of the advances is not provided.

3. REVENUE RECOGNITION :

- (i) Resort Membership is sold for ten year / ninety-nine year period. A sum equal to 25% of the net sale value of membership is recognized as income in the Profit & Loss Account in the year of sale. One tenth / one ninety-ninth of the balance is recognized as receipt towards providing continuing customer facility for ten years / ninety-nine years. Such balance shall accordingly be spread over the relevant period. So the balances are shown as Deposit from GWLR Scheme Members in unsecured loan. One Scheme of Membership has been launched in the year and it has not completed the membership bookings, only few memberships have been sold in the month of January to March. It has been accounted as advances from Members. The appropriation will be planned in the next year.
- (ii) Maintenance expenditure of the Schemes of plot development is met from lifetime or periodical maintenance fees payable by beneficiaries / plot owners. Periodical maintenance dues are recognized in the Profit & Loss Account as income. Lifetime maintenance deposits are credited with yearly interest at agreed rate and pro-rata expenditure allocable to the plots and lifetime maintenance is debited to maintenance deposit from the scheme account.
- (iii) Amounts receivable from allottees of plots are recoverable in installment, which is spilt over to the second / third financial year. Out of such amounts only such installments as are due in the respective years are entered in the accounts.
- (iv) Land development income is recognized in the Profit & Loss Account on cost plus profit basis.
- (v) Profit / loss on schemes of Bungalows construction for sale is recognized in the year in which the schemes are completed.

- (vi) Members' contribution towards concessional facilities is accounted as income spread over the period during which the concessions are offered.
- (vii) During the year the Department of Service Tax had surveyed and checked the records for last five years in reference to services of Land development provided to members of various scheme floated by the Company. On the basis of Survey and submission made by the Company they have determined a Service Tax Liability of Rs.25,27,068/-. The Liability is from April 2004 until March, 2008. The Company has not charged any service tax to such service provided to the members of schemes. The Company has accounted the whole amount of tax has expenditure during the year and paid Rs.11,00,000/- out of those liabilities till 30th September, 2008. Management has told that they will pay the balance before filing of Income Tax Return.

4. FIXED ASSETS :

- (i) Fixed Assets as on 31st March 2008 are stated at revalued figures; where as the remaining assets are stated at cost of acquisition construction less depreciation. The revalued figures are based on valuation report of approved valuers given in the year 2006-07.

5. DEPRECIATION :

Depreciation on fixed assets is being provided.

- (i) In respect of assets acquired after 16th December 1993 on straight-line method at the rates prescribed in schedule XIV of the Companies Act, 1956.
- (ii) In respect of assets acquired after 16th December, 1993 on straight-line method at the rates prescribed in amended schedule XIV of the Companies Act, 1956.
- (iii) No depreciation has been charged on Terrace Right I & II Water Park, and 18 Suits under the head building.

6. INVESTMENTS & INVESTMENT INCOME :

Investments are stated at cost. Dividend income is accounted for in the year in which it is received.

7. INVENTORIES:

- (i) The stock of stores material is valued at Cost.
- (ii) The company is in the business of Land and the land acquired under banakhat and the amount advance for the land under banakhat has been considered at cost. (the amount paid.)

8. RETIREMENT BENEFITS:

(i) PROVIDENT FUND :

Contribution to provided fund is made monthly at predefined rate to appropriate authority on accrual basis and charged to revenue.

(ii) LEAVE ENCASHMENT :

As per Accounting Standard (AS) 15 issued by the Institute of Chartered Accountants of India, the company is required to provide for leave encashment on accrual basis. However, the company continues to follow the past practice of charging leave encashment on cash basis. The effect of this non-provision is not easily ascertainable.

(iii) GRATUITY :

Gratuity payable in accordance with the provisions of the Payment of Gratuity Act has not been actuarially determined.

9. CONTINGENT LIABILITIES :

Contingent Liabilities are disclosed in the accounts by way of giving notes as under and giving nature of liability and its quantum, if ascertained.

10. Disclosure requirement as per Accounting Standard As-18 "Related Parties Disclosure " issued by the Institute of Chartered Accountant of India.

(A) LIST OF RELATED PARTIES :

1. Subsidiary company Sterling Resort Private Limited
2. Main Promoters holding majority stake significant influence over the activity of company control of the promoters.

3. Key management personnel & other relatives:
 B. Kumar (Chairman)
 Smt. Kusum B. Kumar (wife of B. Kumar)
 Smt. Meeta Mathur (daughter of B. Kumar, Whole time Director – Operation)
 Mr. Anurag Agrawal (nephew of Mrs. Kusum B. Kumar)
 Mr. Ankit Mathur (Grand Son of Mr. B.Kumar, Chairman)
4. GROUP COMPANIES :
- Greenwood Recreation Private Limited
 - Greenwood Organiser & Engineer Private Limited
 - Sterling Resorts Private Limited

(B) RELATED PARTY TRANSACTIONS :

| Name of the Party | Nature of Transaction | Amount(in Rs.) |
|---|-----------------------|-----------------|
| Sterling Resort (P) Ltd. | ROC filling | 1950/- |
| | Lease Rent | 65000/- |
| Greenwood Organiser & Engineers Pvt. Ltd. | ROC Filing | 32550/- |
| Greenwood Recreation (P.) Ltd. | ROC filling | 1550/- |

(C) DETAILS OF TRANSACTIONS RELATING TO PERSONS REF. IN ITEM A(3)

| Nature of Transactions | 2007-08 | 2006-07 |
|----------------------------|-----------|-----------|
| 1. Managerial Remuneration | 52,24,000 | 38,60,000 |

11. Earning Per Share (E.P.S) :

| | 2007-08 | 2006-07 |
|--|-------------|-------------|
| (1) Profit After Tax | 33,87,076/- | 29,88,940/- |
| Profit attributable to Ordinary Shareholders | | |
| (2) No. of Ordinary Shares | 42,39,688/- | 42,39,688/- |
| (3) Nominal Value of ordinary share | 10/- each | 10/- each |
| (4) Basic / Diluted E. P. S. | 0.80 | 0.69 |

12. Deferred Tax Liabilities (Net)

In Accordance with the Accounting Standard (AS – 22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India which become mandatory from 01-04-2001 the company has not created the Deferred Tax Assets.

13. Accounting Standard – 21 Consolidated Financial Statements.

The subsidiary company i.e Sterling Resorts Pvt Limited is not having any commercial activity at present as the project is under development. Hence, we have not prepared Consolidated Balance Sheet however; the account of Subsidiary is attached.

14. Contingent Liabilities :

| | (Rs. In Lacs) | |
|---|------------------|------------------|
| | As at 31/03/2008 | As at 31/03/2007 |
| A) Liability for payment Towards Land covered | 25.00 | 25.00 |
| B) Disputed I.T Demand Pending in appeal | NIL | NIL |
| C) Liability for Payment towards Labourers | 2.80 | NIL |

15. Amount paid and / or Payable to the Auditors

| | (Amt in Rs.) | |
|--------------------|--------------|--------|
| A) Statutory Audit | 48,000 | 41,820 |
| B) For Tax Audit | 7,000 | 8,180 |

16. Managerial Remuneration

| | | |
|-------------|-----------|-----------|
| A) Salaries | 52,24,000 | 38,00,000 |
|-------------|-----------|-----------|

17. INFORMATION ABOUT PRIMARY SEGMENT, SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYEED.

| PARTICULARS | BUSINESS SEGMENT | | UNALLOCABLE 31/03/08 | TOTAL 31/03/08 |
|--|------------------|---------------|-------------------------|-------------------|
| | RESORT | REAL ESTATE | | |
| Revenue: | | | | |
| External Sales: | | | | |
| Domestic Sales | 264.46 | 521.00 | Nil | 785.46 |
| Exports Sales | Nil | Nil | | Nil |
| Total External Sales | 264.46 | 521.00 | Nil | 785.46 |
| Add: Other Income | ----- | ----- | 5.47 | 5.47 |
| Add: Profit on Sale of Assets | Nil | Nil | Nil | Nil |
| Total Revenue | 264.46 | 521.00 | 5.47 | 790.93 |
| Segment Result before interest, exceptional Or Extraordinary item and tax | 188.29 | 308.69 | 5.47 | 502.45 |
| Less: Interest & other expenses | ----- | ----- | 237.46 | 237.46 |
| Profit before exceptional/ extraordinary items & Tax | | | | |
| Exceptional / Extraordinary Items | 76.17 | 212.31 | (237.46) | 51.02 |
| Net Effect of Profit / Loss on Sale of Assets | | | | ----- |
| Profit before Tax | | | | 51.02 |
| Taxes | | | | 17.15 |
| Profit after Taxes | | | | 33.87 |
| Segment Assets | | | | |
| Segment Liabilities | | | | |
| Total Cost incurred during the year to acquire Segment assets | | | | ----- |
| Segment Depreciation | | | | 32.14 |
| Non-Cash Expenses other than Depreciation | | | | ----- |

18. Additional information pursuant to the provision of Part 3 and 4 of Para – 2 of Schedule VI of the Companies Act, 1956 other than those mentioned in above notes are either NIL or not applicable hence not mentioned separately.

SIGNATURE TO SCHEDULES 1 TO 21

As per our separate report of even date attached

For, H. M. Parikh
Chartered Accountant

For and behalf of the Board of Directors

(H. M. Parikh)
(Proprietor)

(Anurag Agrawal)
Managing Director

Date : 30-06-2008
Place: Ahmedabad

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of STERLING GREENWOODS LIMITED, for the year ended 31st March 2008. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreements with Stock Exchange and is based on and in agreement with the corresponding Balance Sheet of the Company covered by our report of 31st March, 2008 to the Members of the Company.

Date : 30-06-2008
Place: Ahmedabad

For, H. M. Parikh
Chartered Accountant

(H. M. Parikh)
(Proprietor)

CASH FLOW STATEMENT FOR THE YEAR 2007-2008

| Particulars | (Rs.IN LAKHS) | | (Rs.IN LAKHS) | |
|---|---------------------|---------------------|---------------------|---------------------|
| | AMOUNT 2007-2008 | AMOUNT 2007-2008 | AMOUNT 2006-2007 | AMOUNT 2006-2007 |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| (i) Net Profit/Loss before tax & extraordinary items | | 51.02 | | 45.79 |
| Adjusted for : | | | | |
| Depreciation | 32.14 | | 21.78 | |
| Dividend Received | 0.00 | | 0.00 | |
| Interest (Net) | 37.54 | | 22.11 | |
| Deferred Revenue Expenditure | 0.00 | | 0.00 | |
| Assets written off | | | | |
| Profit on Sale of Assets | 1.32 | | -7.06 | |
| | | 71.00 | | 36.83 |
| (ii) Operating Profit Before working capital changes | | 122.02 | | 82.62 |
| Adjustments For: | | | | |
| Inventory | 63.10 | | -23.05 | |
| Current Assets | -114.84 | | -106.96 | |
| Current Liabilities | -65.10 | -116.84 | 99.24 | -30.77 |
| (iii) Cash Generated from Operations | | 5.18 | | 51.85 |
| Interest Paid | -37.54 | | -22.11 | |
| Deffered Tax Adjustment | 0.00 | | 0.00 | |
| Direct Taxes Paid | -22.91 | -60.45 | -22.71 | -44.82 |
| (iv) Net Cash flow from operating activity | | -55.27 | | 7.03 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | -188.05 | | -193.15 | |
| Sale of Fixed Assets | 3.66 | | 15.35 | |
| Increase in Investments | 0.00 | | -0.35 | |
| Trs of Fixed assets/ capital Gain | 0.00 | | 0.00 | |
| Dividend Received | 0.00 | | 0.00 | |
| Net Cash used in investing activities | | -184.39 | | -178.15 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Long Term/Short Term borrowing | 277.73 | | 168.86 | |
| Dividend Paid | -33.92 | | 0.00 | |
| Net Cash in Flow from Financing Activities | | 243.82 | | 168.86 |
| Net Increase in cash and Cash Equivalent (A+B+C) | | 4.16 | | -2.26 |
| Cash and Cash Equivalents as at 1/04/2007 (Opening Bal.) | | 17.20 | | 19.45 |
| Cash and Cash Equivalents as at 31/03/2008 (Closing Bal.) | | 21.36 | | 17.20 |

By order of Board of Directors

Place : Ahmedabad
Date : 30-6-2008

(B. Kumar)
Chairman

Balance sheet abstract & Company's general business profile

1. Registration Details

| | |
|--------------------|-----------------------|
| Registration No. | L51100GJ1992PLC017646 |
| State Code | 04 |
| Balance Sheet Date | 31.03.2008 |

2. Capital raised during the year (Amount in Rs. ,000)

| | |
|-------------------|-----|
| Public Issue | NIL |
| Right Issue | NIL |
| Bonus Issue | NIL |
| Private Placement | NIL |

3. Position of Mobilisation & Development of Funds (Amount in Rs. '000)

| | |
|-------------------|--------|
| Total Liabilities | 325274 |
| Total Assets | 325274 |

SOURCE OF FUNDS :

| | |
|-------------------------|--------|
| Paid up Capital | 42397 |
| Share Application Money | NIL |
| Reserve & Surplus | 175333 |
| Secured Loan | 21085 |
| Unsecured Loans | 86459 |
| Deferred Tax Liability | NIL |

APPLICATION OF FUNDS :

| | |
|--------------------------|--------|
| Net Fixed Assets | 243947 |
| Capital Work In Progress | 5523 |
| Investment | 7660 |
| Net Current Assets | 68144 |
| Misc. Expenditure | — |
| Accumulated Losses | — |

4. Performance of Company (Amount in Rs. '000)

| | |
|--------------------------|-------|
| Turnover | 79093 |
| Total Expenditure | 73991 |
| Profit / Loss Before Tax | 5102 |
| Profit / Loss After Tax | 3387 |
| Earning per share in Rs. | 0.80 |
| Dividend Rate | Nil |

5. Generic Name of three principal product / service of the company

| | |
|-----------------------|--|
| Item Code No. : | Nil |
| Service Description : | Land Development Construction & Resort Hotels |

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors,

We have examined the attached Consolidated Balance Sheet of STERLING GREENWOODS LIMITED and its subsidiary as at 31/03/2008 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An Audit Includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The subsidiary company has not any commercial activity during the period hence management have not prepared consolidated profit & Loss A/c. for the period. We have not audited the financial statement of subsidiary company, whose financial statements reflect total assets (net) of Rs. 21.78 Lacs as at 31st March 2008. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, is so far a it relates to the amounts included in respect of these subsidiary, is based solely on the report if the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiary included in consolidated financial statements.

On the basis of the information and explanations given to us and on the consolidation of separate audit reports on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the company and its subsidiary as at 31st March, 2008;

Place : Ahmedabad

Date : 30/03/2008

For, H. M. PARIKH
CHARTERED ACCOUNTANT

(H. M. PARIKH)
(Proprietor)

STERLING GREENWOODS LIMITED CONSOLIDATED BALANCE SHEET ABSTRACT AS AT 31ST MARCH, 2008

(Rs. in Lacs)

| SR NO | PARTICULARS | SCH. NO. | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|-----------|---|----------|------------------|------------------|------------------|------------------|
| I | SOURCES OF FUNDS | | | | | |
| A. | SHARE HOLDERS FUNDS : | | | | | |
| | (i) Share Capital | | 423.97 | | 423.96 | |
| | (ii) Reserves & Surplus | | 1702.45 | | 1710.61 | |
| | | | | 2126.42 | | 2134.57 |
| B. | LOAN FUNDS : | | | | | |
| | (i) Secured Loans | | 210.85 | | 113.53 | |
| | (ii) Unsecured Loans | | 866.31 | | 685.90 | |
| | | | | 1077.16 | | 799.43 |
| | TOTAL | | | 3203.58 | | 2934.00 |
| II | APPLICATION OF FUNDS : | | | | | |
| A. | FIXED ASSETS : | | | | | |
| | (i) Gross Block | | 2715.90 | | 2567.62 | |
| | (ii) Less Depreciation | | 258.78 | | 225.82 | |
| | (iii) Net Block | | | 2457.12 | | 2341.80 |
| | Capital Work in Progress- Vichchiya | | | 55.23 | | 21.98 |
| B. | INVESTMENTS : | | | 5.36 | | 5.36 |
| C. | CURRENT ASSETS, LOANS & ADVANCES | | | | | |
| | (1) CURRENT ASSETS : | | | | | |
| | (i) Inventory | | 317.14 | | 380.23 | |
| | (ii) Sundry Debtors | | 198.39 | | 325.37 | |
| | (iii) Cash & Bank Balances | | 21.36 | | 17.20 | |
| | (2) LOANS AND ADVANCES : | | 342.04 | | 100.21 | |
| | TOTAL CURRENT ASSETS | | 878.93 | | 823.01 | |
| | (3) LESS : CURRENT LIABILITIES & PROVISIONS | | 231.73 | | 296.15 | |
| | NET CURRENT ASSETS | | | 647.20 | | 526.86 |
| | MISCELLANEOUS EXPENDITURE | | | 38.67 | | 38.00 |
| | TOTAL | | | 3203.58 | | 2934.00 |

As per our Separate report of even date attached.

For, H. M. PARIKH
CHARTERED ACCOUNTANT

B. KUMAR
CHAIRMAN

ANURAG AGARWAL
MANAGING DIRECTOR

B. K. BAHETI
DIRECTOR

(H. M. PARIKH)
PROPRIETOR

KUSUM B. KUMAR
DIRECTOR

ANKIT MATHUR
DIRECTOR

PLACE : AHMEDABAD
DATE : 30/06/2008

PLACE : AHMEDABAD
DATE : 30/06/2008

Note : There is no commercial activity in subsidiary Company hence the management has not prepared profit & loss A/c., Cash flow and any annexure.

STERLING RESORTS PRIVATE LIMITED

22nd ANNUAL REPORT

2007 – 2008

NOTICE

Notice be and is hereby given that the 22ND ANNUAL GENERAL MEETING of the Members of the company will be held at the registered office of the company at 15/09/2008 on Monday at 12.00 noon to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2008 and Profit & Loss A/c. for the year ended on that date together with its Auditor's Report and Directors' report.
2. To appoint Auditor to hold office from the conclusion of this 22nd ANNUAL GENERAL meeting until the conclusion of next annual general meeting and to fix their remuneration.

NOTES : A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not to be a member of the Company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD

DATE : 30/06/2008

(MR. B. KUMAR)
DIRECTOR

DIRECTOR'S REPORT

To,
The Members of
STERLING RESORT PVT. LTD.

Your Directors have pleasure in presenting the **22nd Annual Report** of your company together with the Audited Statement of Accounts for the year ended, 31st March 2008.

FINANCIAL RESULTS :

During the year under review, the Company has incurred pre-operative expenses amounting to Rs.66950/- The Municipality; Mt. Abu has accorded sanction to the plans of our Hotel Project. However, there is a High Court of Rajasthan stay order on any construction work in the hotel zone. The company has filed necessary application in the High Court of Rajasthan in this regard. However, all activities are now standstill in view of the stay orders.

In view of the fact that during the year under report there was no business, generating income, there is no liability on the Company for the payment of any income tax and hence no provision therefore was made in the accounts.

PUBLIC DEPOSITIS :

The Company does not hold any public deposits and therefore, the question of compliance with Section 58 (A) of the Companies Act, 1956 and the directions of the Reserve Bank of India relevant to such deposits does not arise.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

1. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected Accounting Policies and applied them consistently and made judgments 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 the financial year under review.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. That the directors have prepared the Annual Accounts for the financial year ended March 31, 2008 on a "Going Concern" basis.

AUDITORS :

The present Auditors of the Company, M/s. Baheti Bhadada & Associates, Chartered Accountants are due to retire at this 22nd Annual General Meeting and being eligible have offered themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

The company has not employed any person on salary exceeding the limits laid down in Section 217 (2A) of the Companies Act, 1956 read with the relevant Rules and hence the details required under this legal provision are not required to be given.

CONSERVATION OF ENERGY:

The Company does not undertake any manufacturing or other activity calling for large-scale energy consumption and, therefore, the question of any energy conservation is not attracted.

TECHNOLOGY ABSORPTION :

The Company has not carried out any research and development activities during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year under review, foreign exchange earnings and outgo were Nil.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 30/06/2008

B. KUMAR
DIRECTOR

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of STERLING RESORTS PRIVATE LIMITED as at 31st March 2008. The Company has not prepared Profit and Loss Account for the year under review, as the company has not undertaken any commercial activities during the year.

We report that: -

1. As required by the manufacturing and other Companies (Auditor's Report) Order 2003 issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the Annexure a statement on the matter Specified in paragraphs 4 & 5 of the said order:
2. Further to our comments in the Annexure referred to in Paragraph above, 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 accounts as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - (c) The Balance Sheet referred to in this report is in agreement with books of accounts.
 - (d) In our opinion, Balance Sheet of the company dealt with this report complies with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of our review of the confirmation received and the information and explanations given to us none of the directors of the company is, prima-facie, as at 31st March, 2008 disqualified from being appointed as directors of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read along with notes and accounting policies, give the information required by the Companies Act, 1956 in the manner so required and subject to the following:
 - (g) In the case of Balance Sheet, of the state of affairs of the Company, as at 31st March, 2008.

FOR, BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD
DATE : 30/06/2008

(B. K. BAHETI)
PARTNER

ANNEXURE TO THE AUDITORS REPORT

Annexure to the Auditor's Report referred to in paragraph 1 of our report of even date on the accounts of Sterling Resort Private Limited for the period ended on 31st March, 2008.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets. The management at the end of the year has physically verified the assets of the company. The management has informed us that no serious discrepancies have been noticed on such verification.
2. None of the fixed assets of the company has been revalued during the year.
3. The company does not carry any stock of finished goods; stores spare parts and raw materials. In view of foregoing the provisions of the paragraph 4A (iii), (iv), (v) and (vi) is not applicable to the company.
4. The Company has taken interest free loans from directors operated on current account basis. There are no specific conditions as to repayment of the said loan.
5. The Company has granted loans, secured or unsecured to the companies, firms and parties listed in the register maintained under Section 301 of the companies act 1956 are, in our opinion, prima facie not prejudicial to the interest of the company. There are no companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
6. The company has not given any loans or advances in the nature of loan other than above.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size & nature of the business, with regard to purchases of raw materials, plant and machinery equipment and other assets and for sale of services.
10. According to the information and explanations given to us, the company has not accepted any deposits as defined under action 58-A of the Companies Act, 1956 and the rules framed there under during the period under review.
12. The Company has not accepted deposits from the public and hence the provisions of Section 58 A of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
13. The Company has not carried any Manufacturing or trading activity hence the question of maintenance of cost records does not arise.
14. According to the information given to us, Provident Fund and Employees State Insurance Scheme are not applicable to the Company.
15. The Company has no undisputed liability in respect of Income Tax, Wealth Tax, Sales Tax, Custom duty and Excise duty which was unpaid as on date of Balance Sheet for a period exceeding six months from the date they became payable.
16. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.
17. In our opinion and according to the information and explanations given us the company is not covered within the definition of a sick industrial Company as contained in Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Since the Company has not started its business activities hence points 8,9 & 11 are not applicable.

FOR, BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD
DATE : 30/06/2008

(B. K. BAHETI)
PARTNER

BALANCE SHEET AS AT 31ST MARCH 2008

| SR NO. | PARTICULARS | SCH. NO. | AS AT 31.03.2008 | AS AT 31.03.2008 | AS AT 31.03.2007 | AS AT 31.03.2007 |
|--------|---|----------|------------------|------------------|------------------|------------------|
| I | SOURCES OF FUNDS | | | | | |
| A. | SHARE HOLDERS FUNDS : | | | | | |
| | (i) Share Capital | 1 | 675000 | | 675000 | |
| | (ii) Reserves & Surplus | 2 | 1330205 | | 1330205 | |
| | | | | 2005205 | | 2005205 |
| B. | LOAN FUNDS : | | | | | |
| | (i) Secured Loans | | 0 | | 0 | |
| | (ii) Unsecured Loans | 3 | 172930 | | 172930 | |
| | | | | 172930 | | 172930 |
| | TOTAL | | | 2178135 | | 2178135 |
| II | APPLICATION OF FUNDS | | | | | |
| A. | FIXED ASSETS : | | | | | |
| | (i) Gross Block | 4 | 1734863 | | 1734863 | |
| | (ii) Less Depreciation | | 0 | | 0 | |
| | (iii) Net Block | | | 1734863 | | 1734863 |
| B. | INVESTMENTS : | | | 0 | | 0 |
| C. | CURRENT ASSETS, LOANS & ADVANCES | | | | | |
| | (1) CURRENT ASSETS : | | | | | |
| | (i) Sundry Debtors | | 55000 | | 55000 | |
| | (ii) Cash & Bank Balances | 5 | 363 | | 363 | |
| | (iii) Loans & Advances | 6 | 541573 | | 541573 | |
| | TOTAL CURRENT ASSETS | | 596936 | | 596936 | |
| | (3) LESS : CURRENT LIABILITIES & PROVISION | 7 | 4020933 | | 3953983 | |
| | NET CURRENT ASSETS | | | -3423997 | | -3357047 |
| | MISCELLANEOUS EXPENDITURE | | | | | |
| | Preliminary Expenses | | 3500 | | 3500 | |
| | Preoperative Expenses | 8 | 3583460 | | 3516510 | |
| | | | | 3586960 | | 3520010 |
| | Profit & Loss A/c | | | 280309 | | 280309 |
| | TOTAL | | | 2178135 | | 2178135 |
| | Significant Accounting Policies | 9 | | 0 | | 0 |

As per our separate report of even date.

FOR AND BEHALF OF STERLING RESORTS PVT. LTD.

For, Baheti Bhadada & Associates
Chartered Accountants

B.KUMAR
Director

KUSUM B. KUMAR
Director

(B. K. Baheti)
Partner

PLACE : AHMEDABAD
DATE : 30-06-2008

PLACE : AHMEDABAD
DATE : 30-06-2008

SCHEDULES FORMING PART OF THE ACCOUNTS

| SR. NO. | PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2007 |
|---------|---|---------------------|---------------------|
| | SCHEDULE : 1 : | | |
| | SHARE CAPITAL : | | |
| | Authorised : 70,00,000 Equity Shares of Rs. 10/- Each | 700000 | 700000 |
| | Issued 67500 Equity Shares of Rs. 10/- Each Subscribed 67500 Equity Shares of Rs. 10 /- Each | 675000 | 675000 |
| | SCHEDULE : 2 : | | |
| | RESERVES AND SURPLUS : | | |
| | Revaluation Reserve | 1330205 | 1330205 |
| | | 1330205 | 1330205 |
| | SCHEDULE : 3 : | | |
| | UNSECURED LOANS: | | |
| | From Directors | 172930 | 172930 |
| | | 172930 | 172930 |
| | SCHEDULE : 5 : | | |
| | CASH & BANK BALANCES: | | |
| | (i) Balances with Scheduled Banks in Current A/c. | 363 | 363 |
| | (ii) Balance with Co.Op. Bank in Fixed Deposit | 0 | 0 |
| | | 363 | 363 |
| | SCHEDULE : 6 : | | |
| | LOANS & ADVANCES: | | |
| | (a) Loans & Advances | 330149 | 330149 |
| | (b) Others | 211424 | 211424 |
| | TOTAL | 541573 | 541573 |

**SCHEDULE : 4 :
FIXED ASSETS**

| SR. No. | PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---------|------------------------|-----------------------|---------------------------------|---------------|------------------------------|------------------------------|--------------|---------------|------------------|-----------------|------------------------|------------------------|
| | | As at 1-4-2008 Rs. | Addition during the year Rs. | Uplift Rs. | Dedu. during the year Rs. | Total as on 31-3-2008 Rs. | Dep. Rate % | Upto 1-4-2007 | Additions Rs. | As At 31-3-2008 | As at 31-3-2008 Rs. | As at 31-3-2007 Rs. |
| 1 | LAND - FREE HOLD | 1574500 | 0 | 0 | 0 | 1574500 | -- | 0 | 0 | 0 | 1574500 | 1574500 |
| 2 | LEASEHOLD LAND | 101980 | 0 | 0 | 0 | 101980 | -- | 0 | 0 | 0 | 101980 | 101980 |
| 3 | DEAD STOCK | 3566 | 0 | 0 | 0 | 3566 | 18.10% | 3425 | 26 | 3451 | 115 | 141 |
| 4 | FURNITURE & FIXURES | 29905 | 0 | 0 | 0 | 29905 | 18.10% | 28524 | 250 | 28774 | 1131 | 1381 |
| 5 | CLUB KITCHEN EQUIPMENT | 20341 | 0 | 0 | 0 | 20341 | 18.10% | 19076 | 229 | 19305 | 1036 | 1265 |
| 6 | CLUB EQUIPMENT | 3820 | 0 | 0 | 0 | 3820 | 13.91% | 3510 | 43 | 3553 | 267 | 310 |
| 7 | VEHICLES | 751 | 0 | 0 | 0 | 751 | 25.89% | 744 | 2 | 746 | 5 | 7 |
| | CURRENT YEAR | 1734863 | 0 | 0 | 0 | 1734863 | 0 | 55279 | 549 | 55828 | 1679035 | 1679584 |
| | PREVIOUS YEAR | 459937 | 0 | 1274926 | 0 | 1734863 | 0 | 54611 | 668 | 55279 | 1679584 | 1680252 |

annual report & account 2008

Sterling Resorts Pvt. Ltd.



SCHEDULES FORMING PART OF THE ACCOUNTS

| SR. NO. | PARTICULARS | AS AT 31.03.2008 | AS AT 31.03.2007 |
|------------|---|---------------------|---------------------|
| | SCHEDULE : 7 : | | |
| | CURRENT LIABILITIES & PROVISIONS : | | |
| | CURRENT LIABILITIES | | |
| | 1. Sundry Creditors | 2605312 | 2538362 |
| | 2. Other liabilities | 1415621 | 1415621 |
| | | 3884326 | 3822826 |
| | SCHEDULE : 8 : | | |
| | PREOPERATIVE EXPENSES: | | |
| | Advertisement Exp. | 153726 | 153726 |
| | Architect & Design Fees | 620400 | 620400 |
| | Auditor Remuneration | 45000 | 45000 |
| | Bank Charges | 9160 | 9160 |
| | Consumable Exp. | 975 | 975 |
| | Depreciation | 55279 | 55279 |
| | Donation | 20000 | 20000 |
| | Filing Fees | 3600 | 2400 |
| | General Charges | 11836 | 11836 |
| | General Office Exp. | 7077 | 7077 |
| | Interest (Net) | 41794 | 41794 |
| | Labour Charges | 98057 | 98057 |
| | Land Survey Exp. | 7920 | 7920 |
| | Lease Rent | 975749 | 975749 |
| | Legal & Professional Fees | 10640 | 10640 |
| | Legal Exp. | 31708 | 26708 |
| | Professional Fees | 1261198 | 1260448 |
| | Salary | 20600 | 20600 |
| | Stationery Exp. | 6891 | 6891 |
| | Sundry Bal. Amt. W / off | 371 | 371 |
| | Survey Fees. | 7200 | 7200 |
| | Travelling Exp. | 194279 | 194279 |
| | TOTAL | 3583460 | 3516510 |

SCHEDULE : 9

Significant Accounting Policies and Notes Forming Parts of the Balance Sheet as on 31st March, 2008.

1. Significant Accounting Policies :

- A The Company provides depreciation on its assets at the rate prescribed as per Schedule XIV of the Companies Act, 1956 at WDV Method. However, the additions made on or before 30th September are provided at 100% and after that are provided at 50% of the rate prescribed as per Schedule XIV of the Companies Act, 1956 and not on pro-rata basis.
- B The fixed assets are stated at historical cost less depreciation.

2. Notes forming Parts of Accounts :

- A. Figures of previous year have been regrouped / rearranged wherever necessary.
- B. Information required to be given as per part-II of Schedule VI of the Companies Act, 1956 is as under:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|---------------------------|-----------------------|------------------------|
| a. Payment to Auditors | | |
| For Audit Fees | Nil | 2500/- |
| b. Directors Remuneration | Nil | Nil |

Signature to Schedule 1 to 10

The Schedule and notes referred to above form an integral part of accounts.

As per our Report of Even Date Attached

For, **BAHETI BHADADA & ASSOCIATES**
CHARTERED ACCOUNTANTS

(B. K. BAHETI)
(Partner)

For, **STERLING RESORTS PVT. LTD.**

B. KUMAR **SMT. KUSUM B. KUMAR**
Director **Director**

Place : Ahmedabad

Date : 30/06/2008

Place : Ahmedabad

Date : 30/06/2008

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

| | |
|--------------------|-----------------------|
| Registration No. | U55101GJ1986PTC008664 |
| State Code | 04 |
| Balance Sheet Date | 31.03.2008 |

2. Capital raised during the year (Amount in Rs. ,000)

| | |
|-------------------|-----|
| Public Issue | NIL |
| Right Issue | NIL |
| Bonus Issue | NIL |
| Private Placement | NIL |

3. Position of Mobilisation & Development of Funds (Amount in Rs. '000)

| | |
|-------------------|------|
| Total Liabilities | 2178 |
| Total Assests | 2178 |

SOURCE OF FUNDS :

| | |
|-------------------------|------|
| Paid up Capital | 675 |
| Share Application Money | NIL |
| Reserve & Surplus | 1330 |
| Secured Loan | NIL |
| Unsecured Loans | 173 |

APPLICATION OF FUNDS :

| | |
|--------------------|--------|
| Net Fixed Assets | 1735 |
| Investment | NIL |
| Net Current Assets | (3424) |
| Misc. Expenditure | 3587 |
| Accumulated Losses | 280 |

4. Performance of Company (Amount in Rs. '000)

| | |
|--------------------------|------|
| Turnover | ---- |
| Total Expenditure | ---- |
| Profit / Loss Before Tax | ---- |
| Profit / Loss After Tax | ---- |
| Earning per share in Rs. | ---- |
| Dividend Rate | ---- |

5. Generic Name of three principal product / service of the company

| | |
|-----------------------|----------------|
| Item Code No. : | ---- |
| Service Description : | Holiday Resort |

Sterling Greenwood Ltd.

Regd. Office : Sunrise Centre, Opp. Drive-in Cinema, Ahmedabad-380 054.

ATTENDANCE SLIP

(To be filled in by the share holder/proxy present)

| |
|---|
| Name & address of the Members _____ |
| Regd. Folio _____ /DP ID No.* _____ & |
| Client ID No* _____ No. Of Shares _____ * |
| Applicable for members holding shares in electronic form. |

I hereby record my presence at the 16th ANNUAL GENERAL MEETING of the Company held on Friday 19th September, 2008 at 11.00 AM at the Greenwood Lake Holiday Resort of the Company, Opp. Village Chharodi, Off. Sarkhej-Gandhinagar Highway Road, Ahmedabad.

Signature of the shareholder / proxy present _____

PLEASE CUT HERE AND BRING THE ABOVE ATTENANCE SLIP TO THE MEETING

Sterling Greenwood Ltd.

Regd. Office : Sunrise Centre, Opp. Drive-in Cinema, Ahmedabad-380 054.

PROXY FORM

Ledger Folio No. (s) _____ / DP ID No.* _____ &

Client ID No. * _____

I/We _____ of _____

_____ being a member/members of Sterling Enterprise Ltd.

hereby appoint _____ of _____ failing him/her, _____

of _____ as my/our proxy to attend and vote for me/Our behalf at the 16th Annual General Meeting of the company to be held on Friday 19th September, 2008 at any adjournment thereof.

Signed this _____ day _____ 2008 by the said _____

* Applicable for members holding shares in electronic form.

Note : The proxy form duly completed 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. The Proxy need not be a member of the Company.

Book Post

To, _____

if undelivered please return to :

Sterling Greenwoods Ltd.

Sunrise Centre, Opp. Drive-in Cinema, Ahmedabad - 380 054.

