

**20th
Annual
Report
2011-12**



**STERLING
GREENWOODS LTD.**

RESORTS • CLUBS • TOWNSHIP

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Annual Report & Account 2011-12

CORPORATE INFORMATION

BOARD OF DIRECTORS :	B. Kumar	Chairman
	Ankit Mathur	Managing Director
	Meeta Mathur	Whole Time Director
	P. V. R. N. Iyer	Director
	Virendra Singh Rawat	Director
AUDITORS :	M/s. Anil S. Shah & Co.	
	Chartered Accountants	
	Ahmedabad.	
BANKERS :	Axis Bank Ltd.	
	Rajkot Nagrik Sahakari Bank Ltd.	
	HDFC Bank Ltd.	
	State Bank of India	
REGISTERED & CORPORATE OFFICE :	Sunrise Centre, Opp. Drive-in Cinema,	
	Ahmedabad-380 054.	
REGISTRAR & SHARE TRANSFER AGENTS :	Sharepro India Private Limited	
	Sharepro Services (India) Pvt. Ltd.	
	13 AB Samitha Warehousing Complex,	
	Sakinaka Telephone Lane,	
	Sakinaka, Andheri (E), Mumbai - 400 072.	

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of M/s STERLING GREENWOODS LIMITED will be held on Saturday the 29th September 2012 at the Greenwood Lake Holiday Resort, Off Sardar Patel Ring Road, Nr. Sarkhej-Gandhinagar Highway, Nr. Vaishnodevi Circle, Ahmedabad at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2012 and Profit and Loss Account for the year ended on 31st March, 2012 together with Directors' and Auditors' Report
2. To appoint a Director in place of Shri P.V.R.N. Iyer who retires by rotation and is eligible for reappointment.
3. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Item No. 4

To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

"RESOLVED THAT Shri Virendra Singh Rawat appointed under Section 260 of the Companies Act, 1956 (Act) as additional director of the Company with effect from 14th November 2011 and who holds office upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as director of the company"

By Order of the Board of Directors

Shri Basant Kumar
Chairman
(sd/-)

Place : Ahmedabad

Date : 14/08/2012

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself on a poll and that a proxy need not be a member. Proxies, in order to be effective, forms must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
2. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 24th September 2012 to 28th September 2012 both days inclusive.
4. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
5. Members are requested to write their Folio Number / Client ID – DP ID Number in the Attendance Slip for attending the Meeting.
6. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.

7. Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend and application money, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) for the financial years 2006-07, 2009-10 and 2010-11 onwards, are requested to make their claims without any delay.

8. Details of Directors seeking re-appointment and appointment as per Item No. 2 of the Ordinary Business and Item No. 4 of special business in ensuing Annual General Meeting to be held on 29th September, 2012 are as under:

Name of the Director	Shri P.V.R.N. Iyer	Shri Virendra Singh Rawat
Date of Birth	14/08/1928	27/02/1972
Date of Appointment	31/01/2007	14/11/2011
Qualifications	B. Sc. Visharad	MBA
Expertise in Specific functional areas	Sales Management General Management	Mentor in Education (KG to PG) and expert for setting up Green School since last 5 years.
List of outside Directorship held	1	0
Chairman/member of the committees of the Board of Directors of the Company	3	3
Chairman / Member of the Committee of the Board of Directors of the other Public Limited Company	Nil	Nil
Share Holding	Nil	Nil
Relationship with other directors	No	No

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 4

Shri Virendra Singh Rawat has wide Experience as consultant in field of education since last 15 years or more. His experience and knowledge will benefit the Company. He was appointed as Additional Director of the Company w.e.f. 14th November 2011 and eligible to hold office up to this Annual General Meeting. As per provisions of section 257 of the Companies Act, a notice has been received from a shareholder to appoint him as Director of the Company.

The Board commends the resolution at item No. 5 for approval of members. None of the Directors except Shri Virendra Singh Rawat is interested in the resolution.

By Order of the Board of Directors

Shri Basant Kumar
Chairman
(sd/-)

Place : Ahmedabad

Date : 14/08/2012

DIRECTOR'S REPORT

To,
To The Members

Your Directors have great pleasure in presenting the 20th Annual Report together with the Audited Accounts of the Company for the Company for the year ended, 31st March 2012.

Financial Results

Rs. in Lacs

Particulars	2011-2012	2010-2011
Income for the Year	761.49	1003.03
Profit before interest, depreciation and tax (PBIDT)	155.71	203.62
Less:		
Financial Expenses	41.84	52.80
Depreciation	39.10	38.68
Profit / (Loss) before tax	74.77	112.14
Provision for taxation (i) Current Income Tax,	17.78	32.89
Profit after tax	56.99	79.25
Add / (Less): Prior Period Adjustment	00.00	00.00
Net Profit	56.99	79.25
Opening Balance of Profit & Loss Account	377.29	372.29
Net Balance Carried forward to Balance Sheet	56.99	4.99

PERFORMANCE REVIEW

During the year under review the turnover is Rs. 728.68 lacs against Rs. 985.01 lacs in previous year. Profit before Interest, depreciation and tax (PBIDT) is Rs. 155.71 lacs against Rs. 203.62 lacs in previous year. Your directors expects to perform better in the coming years

DIVIDEND :-

With a view to conserve the resources, your Directors do not recommend any dividend for the financial year 2011-2012.

FUTURE PROSPECTS

Ahmedabad is witnessing an unprecedented growth in new 3, 4, & 5 star hotels. This is likely to result in over supply of hotel rooms. Yet your GREENWOODS is a unique property with a large lake of its own, large lush green lawns & areas, & comprehensive leisure facilities.

One M/s AQUARIUS TOURS AND TRAVELS has been

entrusted with setting up an ADVENTURE ZONE, with 10 adventure items including: flying fox, river crossing, BURMAH Bridge etc. which became operational in June 2012

INDUSTRIAL RELATIONS :-

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels.

Measures have been taken for Human Resources Development.

DIRECTORS :-

Shri P.V.N. R Iyer retires from the Board by rotation and being eligible, offers himself for re-appointment.

INSURANCE :-

The Assets of the company have been adequately insured.

PUBLIC DEPOSIT :-

During the period under review the company has not mobilized resources by way of deposit from the public.

CORPORATE GOVERNANCE REPORT :-

Pursuant to clause 49 of the Listing Agreement of the company with the Stock Exchanges, the Management Discussion & Analysis Report, Report on Corporate Governance, and confirmed by all the Board Members and Senior Management personnel with Company's Code of Conduct are made a part of the Annual Report. A certificate regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49 is attached to this report.

DIRECTOR'S RESPONSIBILITY STATEMENT :-

Pursuant to requirement under section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

1. THAT in the preparation of the Account for the financial year ended 31st March,2012 the applicable standards have been followed along with proper explanation relating to material departures ;
2. THAT the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the, state of affairs of the company as at 31st March 2012 and of the profit of the company for the year ending on that date ;
3. THAT the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other Irregularities;
4. THAT the Directors have prepared the accounts for the financial year ended on 31st March, 2012 on a going concern basis.

AUDITORS

M/s. Anil S Shah & Co., Chartered Accountants, retire as Auditor of the company and being eligible, offer themselves for re-appointment. A certificate is obtained from them that their re-appointment, if made, will be within the limit prescribed under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate pursuant to provisions of Section 383A of the Companies Act, 1956 is obtained from practicing Company Secretary.

SUBSIDIARY COMPANY

The Company had one subsidiary Company. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Act. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of subsidiary and the related detailed information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the registered office of the Company. The annual accounts of the subsidiary will also be available for inspection, as above, at the registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiary to any member on demand.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

As required under section 217 (1) (e) of the Companies Act, 1956 and the rules made therein, the concerned particulars relating to The Company does not consume Energy in its business so the matter of Energy Conservation is not applicable to said Company. Company does not engage in such business to undertake any Technology Absorption. However to save the power it has installed Solar Water Heating Systems and also installed CFL lamps at its Resort. Company does not have any Export Earnings in the Financial Year 2011-12 hence particulars of Foreign Exchange are not applicable to the Company.

PARTICULARS OF EMPLOYEES

Particulars of employees in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975 as amended are not given as none of the employees qualify for such disclosure.

ACKNOWLEDGEMENT

The directors extend their sincere thanks to the Bankers, Financial Institutions, Central Government and State Government Authorities and all associated with the company for the co-operation.

The directors also place on record the efforts made by the employees, workers and all other associated with the company for making their organisation successful.

By Order of the Board

Shri Basant Kumar
Chairman
(sd/-)

Place : Ahmedabad

Date : 14/08/2012

COMPANY STRUCTURE AND DEVELOPMENT

The company is putting its best foot forward to obtain best results with optimum performance. But with certain measures taken by RBI, like tightening of credit, particularly for real estate sector, increase in bank lending rates, etc the real estate sentiment turned negative, resulting in falling sales in 3rd quarter onwards for most of the Real Estate Companies in India.

INSPIRE of above your company has done reasonably well.

Progress on development of infrastructure was satisfactory. However Construction work on club & resort could not be started on account of delay in NA approvals.

Opportunities, Threats, Risks, Concerns and Outlook:

The global economy was volatile in the financial year 2011-12. Issues relating to medium-term fiscal consolidation, the exposure of European banks to public and private debt, and recurring differences in the ways to resolve the Euro-debt crisis continued to weigh on the global economic outlook as the Eurozone accounts for close to one-fifths of global Gross Domestic Product (GDP).

Adding to this was the devastating effect of the earthquake and tsunami on the Japanese economy. With supply disruptions weighing heavily on industrial production and consumer sentiment and spending. The looming risk to the global outlook is also on account of the geopolitical tensions centred on Iran that could disrupt oil supply and result in an increase in oil prices.

Growth in emerging and developing economies evolved steadily as expected, but with considerable variation across regions. However, rising inflation is a major cause of concern for many economies.

GDP growth in advanced economies declined to 1.6% in 2011 compared to 3.2% in 2010 and is expected to be even lower at 1.2% in 2012. The global economy is expected to grow by 3.3% in 2012 compared to 3.8% in 2011 as per the International Monetary Fund's (IMF) January 2012 update of the World Economic Outlook (WEO).

The greatest challenge for the global economy in this slow growth environment is to raise productivity without losing job opportunities for the millions who are looking for reasonably paid jobs to support their living standards.

It is heartening to note that the global economy is moving from unbalanced growth to balanced growth. For instance, the US is getting back on the positive growth track. And, China has shown promising progress too. Asian countries like South Korea, India and Thailand are also growing at a fast pace.

Real Estate sector

The superior economic performance of India has provided a strong impetus to the Real Estate sector, which has been witnessing heightened activity in the recent years. Substantial end user and investor interest, large scale investment in infrastructure and rapid urbanization have contributed to the growth trajectory of Indian Real Estate domain.

The housing sector alone contributes to 5-6 per cent of the India's GDP. Housing Shortage is one of the biggest challenges for India. According to Cushman & Wakefield Research, property market in India from 2011-15 is likely to witness a demand for Rs. 3.94 Million new housing units growing at a Compounded Annual Growth Rate (CAGR) of 11%.

The need of the hour for the Real Estate sector in India to continue its forward march and a proactive approach towards reforms and transparency. The likely establishment of the Real Estate Regulatory Authority (RERA) will serve as an important step towards advancement. The need for streamlining approval procedures with a 'single window clearance' structure is also essential.

Risk Management Report

Risk Management is a continuous and dynamic process that involves identification, assessment, analysis, and measurement of all potential threats, event, and associated risks which may have a bearing on the achievement of stated objectives or on the operations of the Company. The Board of Directors and Audit Committee of the Company have been entrusted with the responsibility of establishing and implementing an effective risk management system.

Sales Market Risk

A decline in the Real Estate market may cause the property buyers to remain risk averse and the market spending may turn more cautious because of it. These factors could have adverse effects on the Company's business and future growth, or could

otherwise decrease the revenue generated from some or all of the Company's residential, commercial, and contractual businesses.

Customer Relation Risk

A substantial portion of revenues from contractual projects is generated from one major client operating in the information Technology sector. If the said client either reduces or stops providing the Company with contractual projects or if there is a slowdown in the IT sector, it could have a material adverse effect on the Company's business and its results of operations.

Competition Risk

The company may face significant competition from other Real Estate developers which undertake similar projects within the same regional markets as the Company. Due to the fragmented nature of the Real Estate business, adequate information about the competitors' projects may not be available and accordingly the Company runs the risk of underestimating the supply in the market.

The strategic risks described above are inherent to the sector in which the Company operates. The demand for housing in India is huge and the potential for growth in cities due to migration will definitely present more opportunities to the sector in the years to come. The Company believes that quality is the key differentiator wherein the customers get complete value for the investments made. As per the internal estimates of the Company, majority of the homebuyers are less dependent on debt finance. The Company has also been adding new customers in the area of contractual projects, so that the dependency on one major client is reduced.

Operational Risks

Project Implementation Risk

One of the primary inputs for a construction company is the availability of land. The uncertainty of underlying title of the land in India is a major factor and involves the risk of legal disputes and related costs. The other inherent risks in the project implementation phase include delays in implementation, supply chain issues, migratory labour, accidents, cost and quality control.

Availability and Volatility of Input Costs Risk

Fluctuating input costs is a risk inherent to the Real Estate business. The Company's operations are subject to increase in expenses due to a number of factors such as increase in construction, repair and maintenance costs, sub-contracted service costs and labour costs

Financial Performance

	Year ended 31/03/2012 in Lacs ₹	Year ended 31/03/2011 in Lacs ₹
Income for the year was	761.49	1003.03
The year's working shows a Gross Profit of	113.87	150.82
Out of which, Provisions have been made for :-		
Depreciation	39.10	38.68
Provision for Taxation :		
(i) Current Income Tax	17.78	32.89
(ii) Deferred Tax		
Provision for doubtful debts		
Previous year expenses		
Profit after Income Tax	56.99	79.25

Internal Control System

The company has adequate internal control systems and procedure with regard to purchase, stores and raw materials including components, plant and machinery, other assets and for sale of goods.

The company has an adequate internal audit system commensurate with size and nature of its business. The company has engaged a firm of Chartered Accountants for its internal audit function. Reports of Internal Auditors are reviewed in the meetings of the Audit Committee of the Board.

Industrial Relations & Human Resource Development

Industrial relations continued to be harmonious and cordial through out the year. The Company has always valued its human resources and believes in unlimited potential of the each employee. The company employed 42 number of employees as on 31.03.2012.

Cautionary Statement

Statement in this report on Management's Discussion and Analysis describing the company's objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those expressed or implied. Important factors that could make a difference to the company's operations including global and domestic demand-supply conditions, finished goods prices, raw material cost and availability, Changes in government regulations and tax structure, economic developments within India and the countries with which the company has business contracts and other factors such as litigation and industries relations.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information and events.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

At Company the core set of values of transparency, accountability and integrity, guide the principles and policies of Corporate Governance. Since its inception, Company remained committed to the highest standards of Corporate Governance which could not be possible without the emotional conviction of walking the right path. This has formed the foundation of our Corporate Governance. The Company complied with the Corporate Governance code enshrined in Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

The Board represents an optimum combination of executive and non executive directors and is in conformity with the provisions of Listing Agreements of Corporate Governance. The Board of Directors of your Company comprises four directors composition of the Board and the category of the Directors as well as details of their directorship/membership in other companies/committees is given below:

Sr. No.	Name of the Directors	Category	No. of Directorship in other Companies	No. of Chairmanship / Membership in Board Committees
1.	Mr. Basant Kumar	Chairman	NIL	1
2.	Mr. Ankit Mathur	Managing Director	NIL	3
3.	Mrs. Meeta Mathur	Whole-Time Director	NIL	NIL
4.	Mr. P.V.R.N. Iyer	Independent & Non-executive Director	NIL	3
5.	Mr. Virendra Singh Rawat	Independent & Non-executive Director	NIL	3

None of above directors is a member in any Committees or acts as Chairman in any committees across all Companies in which he/she is a director

Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, Section 25 Companies and Indian private limited companies and are based on the latest declarations received from the Directors.

The Company has a system to circulate and provide adequate information to the Board including as required under Annexure IA of Clause 49 of the Listing Agreements to enable the Board to take informed decisions.

The Compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors along with the agenda and placed/reviewed in each Board Meeting.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the process has been initiated to post it on the website of the Company.

Certificate of Code of Conduct for the year 2011-12

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Conduct" which is applicable to all directors, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct under a certificate of Code of Conduct for the year 2011-12.

Place : Ahmedabad

Date : 14/05/2012

Mr. Ankit Mathur
Managing Director
(sd/-)

A brief resume and the profile of directors retiring by rotation/ appointing Director eligible for appointment or re-appointment at the ensuing Annual General Meeting of the Company are given in the notice of Annual General Meeting, annexed to this Annual Report

Resolutions have been proposed for the appointment of Shri. Virendra Singh Rawat, at ensuing Annual General Meeting as director. Shri. Virendra Singh Rawat is not related to any of the Directors of the Company.

Mr. P.V.N.R Iyer is retiring by rotation in the ensuing Annual General Meeting and resolutions have been proposed for the reappointment. Mr. P.V.N.R Iyer is not related to any of the Directors of the Company.

1. Board Procedure

During the financial year 2011-12, seven meetings of Board of Directors were held, the information to be made available to the Board as per Annexure IA forming part of Clause 49 has been complied with. The Board Meetings are generally held at the Corporate Office of the Company in Ahmedabad. Calendar of the Board Meeting is fixed in advance for each year. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. The Directors also have access to all the information about the company and are free to recommended inclusion of any matter in the agenda for discussion.

Details of the Board Meeting held during the year are as follows:

Sr. No.	Date of Board Meeting	Chairman
1	27 th April 2011	Shri Basant Kumar
2	24 th May 2011	Shri Basant Kumar
3	14 th July 2011	Shri Basant Kumar
4	29 th July 2011	Shri Basant Kumar
5	3 rd September 2011	Shri Basant Kumar
6	14 th November 2011	Shri Basant Kumar
7	10 th February 2012	Shri Basant Kumar

Details of Attendance of the directors at the Board Meetings held during the year 2011-12 and at the last Annual General Meeting are given below:

Sr. No.	Name of the Directors	No. of Board Meeting held while holding the office	No. of Board Meeting attended while holding the office	Attendance at last AGM
1	Mr. Basant Kumar	7	7	Yes
2	Smt. Kusum B. Kumar*	7	4	No
3	Mr. Ankit Mathur	7	7	Yes
4	Shri Kunal Mathur*	7	5	Yes
5	Mrs. Meeta Mathur	7	4	No
6	Shri Umangbhai Vyas*	7	7	Yes
7	Mr. P.V.R.N. Iyer	7	6	Yes
8	Shri Virendra Singh Rawat#	2	2	N.A.
9	Shri Mineshbhai Surti**	2	2	N.A.
10	Shri Vikram Mathur***	3	1	N.A.

* Resigned w.e.f. 05/06/2012

** Appointed as on 14/11/2011

Resigned w.e.f. 14/05/2012

*** Appointed as on 14/07/2011

Resigned w.e.f. 12/11/2011

Appointed as on 14/11/2011

The Company during the year had put its best efforts to invite suitable person to work as an Independent Director and thereby guide and advice the Board of Directors of the Company. However considering the relevant scenario and legal consequence and responsibilities attracting to Independent Directors no person found to be willing to join the Board of Director of the Company. However the Board of Directors of the Company is making its best efforts to invite competent person on the Board of the Company.

The Details of Share holding of Directors

Name of the Director	No. of Shares held as on 31/03/2012
Mr. Basant Kumar	920528
Mr. Ankit Mathur	110300
Mrs. Meeta Mathur	1111373
Mr. P.V.R.N. Iyer*	0
Mr. Virendra Singh Rawat*	0

4. Audit Committee :

The Audit Committee has been entrusted to overview the accounting systems, financial reporting and internal controls of the Company. The power and role of audit committee is as set out in Listing Agreements.

As on date, the Audit Committee of the Board, after duly reconstituted consists of the two independent Non Executive Director and Managing Director, as specified below :-

No.	Name	Designation
1.	Shri P.V.R.N. Iyer	Chairman
2.	Shri Virendrasingh Rawat*	Member
3.	Shri Ankit Mathur	Member
4.	Shri Umang Vyas**	Member

*Appointed as member w.e.f 14.11.2011

**Cessation as member w.e.f 14.11.2011

All the members of committee are financially literate and have expert knowledge of finance and accounting.

Quorum of committee is two members, including both the independent directors. Calendar of the meeting is fixed in advance for each year. The committee met 4 times during the year under review. The committee also met prior to finalization of accounts for the period ended on 31st March, 2012.

Meetings of Audit Committee and attendance.

No.	Date of Meetings	No. of Members	Attendance
1.	24.05.2011	3	3
2.	29.07.2011	3	3
3.	14.11.2011	3	3
4.	10.02.2012	3	3

The Internal Auditors, Head of Finance and representative of Statutory Auditors are permanent invitees at the meetings.

Audit Committee's terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the half yearly and annual financial statements before submission to the board, focusing primarily on

- i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(2AA) of section 217 of the Companies Act, 1956
 - ii) Any changes in accounting policies and practices
 - iii) Major accounting entries based on exercise of judgment by management
 - iv) Qualification in draft audit report
 - v) Significant adjustments arising out of audit
 - vi) The going concern assumption
 - vii) Compliance with accounting standards
 - viii) Compliance with stock exchange and legal requirements concerning financial statements
 - ix) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management the quarterly financial statements before submission to the board for approval
 - e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensuing compliance therewith.
 - f) 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.
 - g) Discussing with internal auditors any significant finding and follow up thereon.
 - h) 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.
 - i) Discussing with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
 - j) Reviewing the Company's financial and risk management policies.
 - k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - l) Any other function(s)/responsibilities as may be delegated by the Board from time to time.
 - m) To review mandatorily the following information
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by management
 3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

5. Remuneration Committee:

As on 31st March 2012, the Remuneration Committee of the Board consists of the two independent Non Executive Director and one Executive Director as specified below:-

No.	Name	Designation
1.	Shri P.V.R.N. Iyer	Chairman
2.	Shri Virendrasingh Rawat*	Member
3.	Shri Ankit Mathur	Member

During the year under review there was no necessity to convene any meeting of the Remuneration Committee.

The Remuneration Committee is responsible for determining and reviewing all matters in respect of remuneration of Directors.

The Company has credible and transparent policy in determining and accounting for the remuneration of Executive Directors. Their remuneration is governed by external competitive environment, track record, potential, individual performance, and performance of the Company as well as industrial standard. The remuneration determined for the Executive Directors is subject to the approval of Remuneration Committee of Board of Directors.

At present the Company does not have the policy of payment of remuneration to non executive directors. In view of the stringent financial position of the Company, the non – executive directors have forgone to receive sitting fees for attending the Board/ Committee meetings.

Details of the Remuneration paid to the Executive Directors

The aggregate salary, value of perquisites and contribution of PF paid to the Executive Directors is as under :

No.	Name of the Directors	Remuneration Rs.
1.	Mr. Basant Kumar	18,00,000.00
2.	Mr. Ankit Mathur	12,00,000.00
3.	Mr. Meeta Mathur	9,00,000.00

There were no other pecuniary relationships or transactions of the Non Executive Directors vis a vis the Company.

6. Shareholders Grievances Committee

The committee looks into the redressal of shareholders and investor complains. The function and power of this committee include review and redressal of shareholders' and investors grievances and to give approval to transfer, transmission or dematerialisation of shares. This committee look into complaint of non receipt of Balance Sheet, non receipt of declared dividend and matter relating to Duplicate share certificate, deletion of name, splitting and consolidation of shares etc.

As on 31st March 2012 committee consists of following directors.

1. Shri P.V.R.N. Iyer — Chairman
2. Shri Virendrasingh Rawat — Member
3. Shri Ankit Mathur — Member

The total number of complaints/correspondence/queries received and replied to the satisfaction of shareholders during the year under review are as follows.

No.	Particulars	Nos. Recd.	Nos. Replied
1.	Share Transfer Requests	29	29

In General, all correspondence / queries are replied to the satisfaction of share holders.

7. General Body Meeting :

The last three Annual General Meeting of the Company were held as under

No.	Year	Location	Date	Time	Special Approval	Resolution
1.	2010-11	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad.	30.09.11	11.30 a.m.	Nil	Nil
2.	2009-10	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi Ahmedabad.	27.09.10	11.30 a.m.	Reappointment of Managing Director	Special
3.	2008-09	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad	18.08.09	11.30 a.m.	Nil	Nil

No Extra Ordinary General Meeting of the Company was held during last 3 years.

8. Disclosures

- a. There have been no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Audit Committee reviews periodically significant related party transactions i.e. transactions of the company, which are of material nature, with its directors, or relatives or the management that may have potential conflict with the interest of the Company at large. Details are provided in Note 35 to the Notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18
- b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- c. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements has been set out in Note 1 forming part of the financial statements.
- d. The Company has laid down procedure to inform the Board Members about the risk assessment and minimization procedure covering the entire gamut of business operations of the company and the same have been reviewed by the Board during the year.
- e. The designated Senior Management Personnel of the company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

2. Means of Communications:

- a. Quarterly Results:
Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirement of the Listing Agreements. At present Half yearly report is not sent to each household of shareholders.
- b. Any Website where displayed: www.sterlinggreenwoods.com

3. Management Discussion & Analysis Report:

The Management Discussion & Analysis Report is part of Annual Report.

4. General Shareholders Information:

(a) Annual General Meeting

Date	Time	Venue
29th September 2012	11.30 a.m.	Greenwood Lake Holiday Resort, Off Sardar Patel Ring Road, Nr. Sarkhej-Gandhinagar Highway, Nr. Vaishnodevi Circle, Ahmedabad

(b) Financial Calendar (2012-13) (tentative)

Annual General Meeting	: 29 th September 2012
Quarterly Results	
Quarter ending on June 30 2012	: Second week of August 2012
Quarter ending September 30 2012	: Second week of November 2012
Quarter ending December 2012	: Second week of February 2013
Annual Result of 2012-13	: Last week of May 2013

(c) **Book Closure Date** : 24th September 2012 to 28th September 2012

(d) **Listing on Stock Exchanges** : Bombay Stock Exchange.

Listing fees have been paid for the year 2012-13 as per the Listing Agreement with the respective Stock Exchanges.

(e) **Stock Code** : BSE, Mumbai - 526500

(f) Demat ISIN Number for NSDL & CDSL : INE00398F01019

(g) Market Price Data:

Market price data at the Stock Exchange, Mumbai for the year 2011-12 is given below :

Month	Highest Rs.	Lowest Rs.
April 2011	17.20	14.65
May 2011	16.65	11.00
June 2011	18.00	13.00
July 2011	16.95	12.00
August 2011	15.98	12.75
September 2011	16.45	13.10
October 2011	16.54	11.86
November 2011	14.45	10.00
December 2011	11.66	8.11
January 2012	11.89	8.70
February 2012	12.40	9.23
March 2012	11.09	9.14

Registrar and Transfer Agents : M/s Sharepro Services (India) Private Limited
 13 AB Samitha Warehousing Complex, Sakinaka Telephone Lane, Sakinaka,
 Andheri East, Mumbai-400 072.
 Contact Nos. : 67720300 / 67720400 Fax No. : (022) 28591568

(h) Share Transfer System:

M/s Sharepro Services (India) Private Limited has been acting as the Depository Registrar for establishing connectivity with NSDL and CDSL for Demat Segment and for physical segment as well. M/s Sharepro Services (India) Private Limited uses Computerized share transfer system for processing transfer of shares. On the basis of periodic report on various requests received from the shareholders, share transfer and other requests are placed for approval of Shareholders' Grievances Committee.

The Company's representatives visit the office of the Registrar and Share Transfer Agents from time to time to monitor, supervise and ensure that there are no delays or lapse in the system.

(i) Distribution of Shareholding:

Distribution of shareholding as on 31.03.2012 is given below :

No. of Equity Share held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	2572	86.66	436693	10.30
501 - 1000	208	7.00	181303	4.28
1001 - 2000	83	2.80	129337	3.05
2001 - 3000	28	0.94	74579	1.76
3001 - 4000	16	0.54	57562	1.36
4001 - 5000	18	0.61	87855	2.07
5001 - 10000	19	0.64	143484	3.38
10000 - 20000	11	0.37	148208	3.50
Above 20000	13	0.44	2980667	70.30
GRAND TOTAL	2968	100	4239688	100

• **Category of shareholders as on 31st March 2012 :**

Category	No. of Shares held	Percentage held
Promoter Holding		
a Indian Promoters : Individuals / HUF	27,88,407	65.77
b Bodies Corporate	0	0
c Foreign Promoters :	0	0
Financial Institutions/ Banks/ Mutual Funds	0	0
Resident Individuals & Corporates	14,36,615	33.88
NRI's	14,666	0.35
Grand Total	42,39,688	100

(j) Dematerialization of Shares and Liquidity:

36,93,588 equity shares of the Company are held in a dematerialised form with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) as on 31st March 2012.

The Secretarial Audit Report from Company Secretary in practice confirming that the total issued capital of the Company is in aggregate with the total number of equity shares in physical form and the total number of dematerialized equity shares held with NSDL and CDSL is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges where the equity shares of the Company are listed.

(k) Other Information

The Company has been in receipt of a show cause notice under Rule 4 of SEBI (Procedure for holding enquiry and imposing penalties by adjudicating officer) Rule 1995. Company is in the process of participating in the enquiry proceedings and will endeavor the best to defend the case of the Company

(l) Outstanding GDRs/ ADRs/ Warrants and Convertible instruments, conversion date and likely impact on equity :

Not Applicable.

(m) Correspondence with the Company:

Address for correspondence with the Company is:
Sunrise Center, Opp. Drive-in-Cinema, Ahmedabad – 380054.
Tel: (079) 26851680 / 26850935 Fax: (079) 26854773
Email Id: sgwlr@yahoo.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Sterling Greenwoods Limited

We have examined the compliances of conditions of **Corporate Governance by Sterling Greenwoods Limited ('the Company')** for the year ended on **31st March 2012** 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 : 14/08/2012

For, **ANIL S. SHAH & CO.**
Chartered Accountants

ANIL S. SHAH
(Partner)
Firm Reg. No. : 100474W
Member No. : 16613

AUDITOR'S REPORT

To,
The Members of
Sterling Greenwoods Limited

We have audited the attached Balance-Sheet of STERLING GREENWOODS LIMITED as on 31/03/2012, related statement of Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date. 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 believed that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) order, 2003 (as amended) 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.

2. Further to our comments in the Annexure referred to in paragraph (2) above, we state that:

- (i) 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.
- (ii) In our opinion, the Company has kept proper Books of Accounts as required by law so far as appears from our examination of the Books.
- (iii) The said Balance Sheet and statement of Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and statement of Profit & Loss Account and cash flow statement dealt with by this report have been prepared in compliance with the accounting standards referred to in sub section (3C) of section 211 of the Act, to the extent applicable.
- (v) On the basis of our review of the written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the company 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, 2012.
 - (b) In the case of statement of Profit & Loss Account of the Profit for the year ended on that date.

And

- (c) In the case of Cash Flow Statement of the cash flows of the Company for the year ended on that date.

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

Place : Ahmedabad

Date : 14/08/2012

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 3 of our report of even date)

1. Fixed Assets :-

The Company has maintained proper records to showing full particulars including quantitative details and situation of fixed assets. However the entries therein requires updation.

Physical verification of fixed assets has been carried out by the Management at the end of the year, which in our opinion is at reasonable intervals having regard to the size of the Company and nature of its assets. We have been informed that the reconciliation of assets physically verified with the fixed assets register is in progress.

However, according to the information and explanations given to us, no material discrepancies were noticed on such verification.

During the year the Company has not disposed of substantial part of its fixed assets.

II. Inventories :-

- (a) The stocks of land and stores and consumables 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 inventory/stock. No material discrepancies have been noticed on physical verification of inventory/stocks as compared to book records.

III. (a) According to information and explanations given to us, the company has granted loans covered in the register maintained under section 301 of the Companies Act, 1956.

- (i) There is one Company covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted loans. The maximum amount involved during the year was Rs. 161818/- and the year-end balance of loans granted to such parties was Rs. 2992239/-.
- (ii) The Company has granted the said loan to subsidiary Company interest free and no stipulation has been made for re-payment, prima facie not prejudicial to the interest of the Company.

(b) According to information and explanations given to us, the Company had taken loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. Particulars are as under.

Particulars	Amount
Taken or Accepted in year	Rs. 16,00,000/-
Repaid During the year	Rs. 45,72,918/-
Maximum Amount involved	Rs. 1,14,37,549/-
Closing Balance	Rs. 1,12,11,444/-

- (iii) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the parties, listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (iv) The loans taken were re-payable on demand. The re-payment of the principal amount was as demanded and payment of interest has been regular.
- (v) As per the information and explanation given to us, the Company is regularly in repaying the principal amounts as stipulated and has been regular in the payment of interest where applicable.

IV. The management of Company is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibly, estimates and judgments by management are required to assess the expected benefits and related costs of

internal control structure. The objective of internal control structure are to provide management with reasonable, but not absolute assurance that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principals. Because of inheriting limitations of internal control structure, errors/irregularities may occur and not be detected. Also, projections of any evaluation of the structure to future period is subject to the risk that procedures may become inadequate because of changes in conditions or that effectiveness of the design and operation policies and procedure may deteriorate.

- V. In our opinion and according to the information and explanations given to us and on the basis of audit procedures performed in accordance with generally accepted audit practices in India for the purpose of reporting on true and fair view of financial statements, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with for the purchase of Inventories, fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in the internal control.
- VI. (a) According to the information given to us, there are transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 and they are so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements (including transactions of finance) exceeding the value of rupees five lakhs during the year, as per information and explanation given by the management, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VII. The Company has accepted deposits falling within the meaning of the provisions of sections 58A and 58AA of the Companies Act, 1956 from the directors and relatives on stipulation of the lenders bank of the Company inline with the Companies (Acceptance of Deposits) Rules, 1975.

According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- VIII. In our opinion, the Company has availed services of professional firm of chartered accountants for an internal audit, the system commensurate with its size and nature of its business.
- IX. 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.
- X. According to the information and explanation given to us, in respect of statutory dues:

The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' state Insurance, income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanation given to us, there were undisputed amounts payable in respect of Service Tax as follows:

- Service Tax Demand disputed and pending with Appellate Tribunal:-
 - Against Resort & Hotel Business: Rs.2303073/-(the Company has deposited Rs. 1175000/-)
- Service Tax Penalty Disputed and pending with Appellate Tribunal: -
 - Against Real Estate Business: Rs.3410080/-
 - Against Resort & Hotel Business: Rs.23 03073/-
- Service Tax Demand Disputed and pending with Appellate Tribunal: -
 - Against Resort & Hotel Business: Rs.482101/-
- Service Tax Demand Disputed and pending with Add Comm : -
 - Against Resort & Hotel Business: Rs.776572/-

Subject to above, the Company has no undisputed amounts payable in respect of Income Tax, Sales/VAT Tax, Wealth-Tax, Customs Duty and Excise Duty, Cess which have remained outstanding as on 31st March, 2012 for a period of more than six months from the date they became payable.

- X. The Company has no accumulated losses during the year and it has not incurred cash losses during the year or financial year immediately proceeding.
- XI. On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- 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 a chit fund and nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
- XVI. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained,
- XVII. 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.
- XVIII. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Registered maintained under section 301 of the Act.
- XIX. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- XX. The Company has not raised any money by public issue during the year.
- XXI. 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.

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)
Firm Reg. No. : 100474W
Member No. : 16613

Place : Ahmedabad

Date : 14/08/2012

BALANCE SHEET AS AT 31ST MARCH 2012

	Particulars	Note	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(A) Share Capital	2	42,859,960	42,859,960
	(B) Reserves and Surplus	3	188,752,438	183,317,857
	(c) Money received against share warrants		-	-
(2)	Share application money pending allotment		-	-
(3)	Non-Current Liabilities			
	(a) Long-term borrowings	4	21,824,139	27,787,936
	(b) Deferred tax liabilities (Net)	5	-	-
	(c) Other Long term liabilities	6	13,321,603	11,959,081
	(d) Long term provisions	7	2,730,577	2,730,577
(4)	Current Liabilities			
	(a) Short-term borrowings	8	7,549,569	2,278,087
	(b) Trade payables	9	4,824,311	2,978,553
	(c) Other current liabilities	10	64,415,010	63,667,176
	(d) Short-term provisions	11	247,685	4,500,250
	Total		346,525,293	342,079,477
II.	Assets			
(1)	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		257,110,611	251,143,514
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		2,455,199	1,695,962
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	13	7,748,869	7,748,869
	(c) Deferred tax assets (net)		-	-
	(d) Long term loans and advances	14	6,801,075	6,439,257
	(e) Other non-current assets	15	18,077,264	16,587,356
(2)	Current assets			
	(a) Current investments	16	-	-
	(b) Inventories	17	13,942,389	5,844,577
	(c) Trade receivables	18	34,258,549	40,172,781
	(d) Cash and cash equivalents	19	2,800,776	8,026,969
	(e) Short-term loans and advances	20	3,330,561	4,420,192
	(f) Other current assets	21	-	-
	Total		346,525,293	342,079,477

The notes referred to above are an integral part of Financial Statements.
Significant Accounting Policies and Notes as per Note '1'

FOR AND BEHALF OF BOARD OF DIRECTORS

As per our report of even date,

For, **ANIL S. SHAH & CO.**
Chartered Accountants

B. KUMAR
Chairman
(sd/-)

ANKIT MATHUR
Managing Director
(sd/-)

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

PLACE : AHMEDABAD
Date : 14/08/2012

PLACE : AHMEDABAD
Date : 14/08/2012

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AT 31ST MARCH, 2012

No.	Particulars	Note	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
I.	Revenue from operations	22	72,868,084	98,501,551
II.	Other Income	23	3,280,724	1,801,504
III.	Total Revenue (I +II)		76,148,808	100,303,055
IV.	Expenses :			
	Cost of Land consumed	24-A	11,366,722	29,468,434
	Food,Beverages & Consumable consumed	24-B	9,147,338	6,776,934
	Schemes Development Expenses	24-C	9,015,070	7,929,273
	Increase/(Decrease) in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(7,086,194)	(2,545,975)
	Employee benefit expense	26	17,422,577	15,032,733
	Financial costs	27	4,184,410	5,280,168
	Depreciation and amortization expense	12	4,175,580	4,133,264
	Less: Transfer to Revaluation Reserve		(264,853)	(264,853)
	Other expenses	28	20,711,152	23,278,271
	Total Expenses		68,671,802	89,088,249
V.	Profit before exceptional & extraordinary items and tax	(III - IV)	7,477,006	11,214,806
VII.	Profit before extraordinary items and tax	(V-VI)	7,477,006	11,214,806
VIII.	Extraordinary Items		-	-
IX.	Profit before tax	(VII - VIII)	7,477,006	11,214,806
X.	Tax expense :			
	(1) Current tax			
	Income tax		1,776,410	3,284,776
	Fringe Benefit tax		1,160	4,610
	(2) Deferred tax		-	-
XI.	Profit(Loss) for the perid from continuing operations	(X - XI)	5,699,436	7,925,420
XII.	Profit/(Loss) for the period		5,699,436	7,925,420
XIII.	Earning per equity share of Rs10/- Basic and Diluted		1.34	1.87

The notes referred to above are an integral part of Financial Statements.
Significant Accounting Policies and Notes as per Note '1'

As per our report of even date,

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

PLACE : AHMEDABAD
Date : 14/08/2012

FOR AND BEHALF OF BOARD OF DIRECTORS

B. KUMAR
Chairman
(sd/-)

ANKIT MATHUR
Managing Director
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

CASH FLOW STATEMENT FOR THE YEAR 2011-2012

PARTICULARS	AMOUNT (₹) 2011-12	AMOUNT (₹) 2011-12	AMOUNT (₹) 2010-11	AMOUNT (₹) 2010-11
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) before tax & extraordinary items		7,477,006		11214806
Adjusted for :				
Depreciation	3,910,725		3,868,411	
Dividend received	(125,000)		(93,750)	
Loss on Sale of asset	162,641		62,000	
Profit on sale of asset	(877,795)		-	
Profit on mutual fund	(13,055)		-	
Interest (NET)	2,847,321	5,904,837	3,696,176	7,532,837
		13,381,843		18,747,643
Operating Profit Before working capital changes				
Adjustments For :				
Inventory	(8,097,812)		(2,567,400)	
Trade Receivables	5,914,232		(10,939,915)	
Non-Current Assets	(153,079)		(46,115)	
Repayment Short Term Loans & Advances	1,089,631		8,977,751	
Other Long Term Liabilities	1,362,522		(254,995)	
Trade payables	1,845,758		(35,269)	
Other Current Liabilities	747,834		24,658,372	
Short Term Provisions	196,897		1,273,899	
Short Term borrowing	5,271,482	8,177,465	(13,546,167)	7,520,161
Direct Taxes Paid		(1,777,570)		(3,289,386)
Net Cash flow from operating activity (A)		19,781,738		22,978,418
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(10,952,422)		(9,098,695)	
Capital WIP	(759,237)		(1,262,867)	
Sale of Fixed Assets	1,524,900		254,269	
Fixed Deposits	(1,336,829)		(14,996,858)	
Profit on sale of mutual fund	13,055		-	
Net Cash used in investing activities (B)		(11,510,533)		(25,104,151)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Long term loans & advances	(361,818)		-	
Repayment of Long Term borrowing	(5,963,797)		(2,597,707)	
Dividend & Dividend Tax Paid	(4,449,462)		(2,976,134)	
Dividend Received	125,000		93,750	
Interest Paid	(4,184,410)		(5,246,180)	
Interest Received	1,337,089		1,550,004	
Net Cash in Flow from Financing Activities (C)		(13,497,398)		(9,176,267)
Net Increase in cash and Cash Equivalent (A+B+C)		(5,226,193)		(11,302,000)
Cash & Cash Equivalents as at 1/04/2011 (Opening Bal.)		8,026,969		19,328,969
Cash & Cash Equivalents as at 31/03/2012 (Closing Bal.)		2,800,776		8,026,969

Notes to the Cash Flow Statement for the year ended on 31.03.2012

- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Figures in bracket indicate cash Outflow.
- The previous year figures have been regrouped/restated wherever necessary to conform to this year's classification.
- During the year in view of Accounting Standard - 3 prevailing over Revised Schedule-VI, Fixed Deposits with Bank that are not Cash Equivalent as per AS-3 have been taken to Investing Activity.

As per our Report of even date attached

For, ANIL S. SHAH & CO.
Chartered Accountants

For and on Behalf of the Board

Place : Ahmedabad

Date : 14/08/2012

ANIL S. SHAH

(Partner)

Firm Reg. No. : 100474W

Member No. : 16613

(B. KUMAR)

(Chairman)

(ANKIT MATHUR)

(Managing Director)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED On 31.03.2012

NOTE NO : 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles on going concern basis and provisions of The Companies Act, 1956 as adopted consistently by the company.

The accounting policies have been consistently applied by the company and are in consistent with those used in previous year except for the change in accounting policy explained in note c) - i below,

- b) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

- c) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Considering the matching concept, the company recognizes its revenue from Resorts service business on receipt basis.

- c-i) Change in accounting policy

Presentation and discloser in financial statements;

During the year ended March 31, 2012 the revised Schedule VI notified under the companies act 1956, has become applicable to the company, for preparation and presentation of it's financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

1.2 Disclosure of Accounting Policies

The Accounting Principles and policies recognized as appropriate for measurement and reporting of the financial performance and the financial position on mercantile system and recognize items of income and expenditure on accrual basis. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

1.3 Valuation of Inventories

- a. The inventories of stores and consumables at resorts have been valued at Cost or Market value whichever is lower.
- b. (i) Land inventory including plots have been valued at lower of cost or net realizable value. Land which is under development/ in near future is classified as current asset. Land which is held for undetermined use or for future development is classified as fixed assets.
- (ii) Work in progress (fencing) is valued at cost or net realizable value. Cost includes direct material, labour and direct expenses.

Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated costs necessary to make sale.

1.4 Cash Flow Statement

Cash flow statement, as per AS – 3 is annexed with financial statements.

- 1.5 Contingencies and Events occurring after Balance sheet date.

Material Events occurring after Balance sheet date are taken into cognizance. There have been no material changes or events since the date of balance sheet affecting financial statements as on the Balance sheet date. Further, the dates of Balance sheet, no events or circumstances have occurred, though properly excluded from the accounts, are of such importance that they should be disclosed through any medium.

1.6 Net Profit and Loss for the period, extra ordinary items and change in accounting policy.

1 Net Profit for the period

All items of income and expense in the period are included for determination of net profit of the year unless specifically mentioned elsewhere in the financial statements or required by an Accounting Standard. Prior period items, extra ordinary items and changes in accounting policy are disclosed only if those have material impact on the affairs of the company.

2 Prior Period items: All material items of Income/Expenditure pertaining to prior period and expenses to subsequent period are accounted separately.

3 Extra ordinary Items : Nil

4 Accounting Policies

The company has consistently followed accounting polices and there are no material changes in accounting policy of the company from that followed in previous year.

1.7 Depreciation Accounting

- a) The Gross Block of fixed assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.
- b) Depreciation on fixed assets is provided on 'Straight Line Basis' at the rate prescribed in Schedule XIV to the Companies Act, 1956. On additions of Assets the depreciation is charged at full rate on additions made before 30 September 2011. The addition made afterwards is charged at half rate.
- c) Assets individually costing less than or equal to Rs. 5000/- are fully depreciated in the year of purchase.

1.8 Revenue recognition

- (i) Revenue from Resort operations (Gross) is recognised upon rendering of the services and adjustments on account of cancellation/ returns.

(ii) Recognition of revenue from sale of land

Revenue from sale of developed plot-land and other rights is recognized upon transfer of all significant risk and rewards of ownership of such real estate/ property, as per the terms of the contracts/agreements entered in to with buyers, which generally coincides with firming of the sale contracts/ agreements.

(iii) Dividend income

Revenue is recognized when the shareholders' or unit holders' right to receive payment is established by the balance sheet date.

(iv) interest income

Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.9 Accounting of Fixed Assets

a Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost bringing the asset to its working conditions for its intended use. Any trade discounts are rebates are deducted in arriving at the purchase price.

Borrowing cost directly attributable to acquisition of fixed assets which take substantial period of time to get ready for its

intended use are also included to the extent they related to the period till such assets are ready to be put to use.

Gain or loss arising from derecognition of fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is derecognised.

1.10 Accounting for Investments:-

Investment, that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. the cost comprised purchase price and directly attributable acquisition charges such as brokerage fees and duties.

Current investments are carried lower of cost and fair value determined on an individual investments basis. Long term investments are carried at cost.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to statements of profit and loss.

1.11 Accounting for retirement benefits

(i) Retirements benefits in the form of provident fund are defined contributions are charged to the statement of profit and loss of the year when the contribution to provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

(ii) In respect of Gratuity, the company is providing on cash basis, as and when they fall due and paid, is charged to statement of profit and loss of the year.

(ii-a) Further as per approved actuary report, the actuarial valuation of the Gratuity payable as on 31.03.2012 is Rs. 1221535/- (previous year Rs. 935504/-).

As per the policy of the company, the company has not made the provision for the Gratuity payable in statement of profit and loss of the year.

(iii) In respect of Leave encashment, the company is providing on cash basis, as and when they fall due and paid, is charged to statement of profit and loss of the year.

As per the policy of the company, the company has not made the provision for the Leave encashment payable in statement of profit and loss of the year.

1.12 Borrowing cost

Borrowing cost directly attributable to acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the quilting assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. All other borrowing cost not eligible for inventorisation/ capitalised are charged to statement of profit and loss.

1.13 Leases

All leases are classified into operating and finance lease at the inception of the lease. Leases that transfer substantially all risks and rewards from lessor to lessees are classified as finance lease and others being classified as operating lease.

There are no finance lease transactions entered into by the Company.

Rent Income and Rent Expense represent operating leases which are recognized as an expense.

1.14 Consolidated Financial Statements

Company is having a fully owned subsidiary namely "STERLING RESORTS PRIVATE LIMITED" Consolidated Balance Sheet has been prepared accordingly.

1.15 Accounting for Taxes on Income

Provision for current income taxes is made on taxable income at the rate applicable to the relevant assessment year.

There are deferred tax assets as calculated by the Company. However, Company has not recognized & provided provisions for the assets in the books of accounts.

1.16 Impairment of Assets

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. As per the information and explanations given, that the company has not recognised impairment loss or identified during the reporting period.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liability

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an out flow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The company does not recognised contingent liability but disclosed its existence in the financial statements

- Disclosure required under companies Act, 1956
- 1. Figures of previous year have been regrouped / rearranged wherever necessary.
- 2. Directors Remuneration

Particulars	This Year (₹)	Last Year (₹)
Remuneration	5339517	5514500
Contribution to Superannuation Fund	Nil	Nil
Total	5514500	Nil

NOTES TO BALANCE SHEET

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 2 Share Capital		
Authorised : 50,00,000 Equity Shares of ₹ 10/- Each	50,000,000	50,000,000
Issued 4322788 Equity Shares of ₹ 10/- Each	42,396,880	42,396,880
Subscribed and fully paid up 4239688 Equity Shares of ₹ 10/- Each		
Forfeited Equity Shares (71600 Forfeited Equity Shares)	463,080	463,080
	42,859,960	42,859,960

1.1 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March, 2012 No. of Shares	As at 31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	42,39,688	42,39,688
Add : Shares issued	0	0
Less : Shares cancelled	0	0
Equity : Shares at the end of the year	42,39,688	42,39,688

1.2 Terms attached to Equity Share

The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares would be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

1.3 The details of Shareholders holding more than 5% shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Smt. Meeta Mathur	1111373	26.21%	1111.373	26.21%
Shri B. Kumar	920528	21.71%	9,20,528	21.71%
Shri Kusum B. Kumar	646204	15.24%	6,46,204	15.24%

1.4 As per the records of the Company including its Register of Shareholder/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represent both legal & beneficial ownership of the shares

1.5 Details of forfeited shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amt. Originally paid up	No. of Shares	Amt. Originally paid up
Equity shares with voting rights	71600	463080	71600	463080
Equity shares with differential voting rights	0	0	0	0

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 3 Reserve & Surplus		
(A) Revaluation Reserve		
Balance as per last year	145588930	145853783
LESS:- Transfer to P&L A/c.	-264853	-264853
Balance	145324077	145588930
(B) Surplus in the Statement of Profit & Loss		
As at Commencement of the Year	37,728,925	37,229,103
Add : Transferred from Profit & Loss Account	5,699,436	7,925,420
Balance	43,428,361	45,154,523
Less: Appropriations		
Proposed Dividend Rs Nil (P.Y. Rs. 0.90 per share)	-	3,815,719
Tax on Proposed dividend	-	633,743
Balance	43,428,361	40,705,061
Less : Dividend of the Previous year Rs. 0.60 per share (R.Y. Rs. Nil)	-	2,543,813
Less : Tax on Dividend for the Previous year	-	432,321
Net Surplus as per Statement of Profit & Loss -(B)	43,428,361	37,728,927
TOTAL RESERVES AND SURPLUS (A + B)	188,752,438	183,317,857

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 4 Long-Term Borrowings		
A) Secured Loans		
FROM BANKS		
Term Loan	11,113,085	14,109,759
Vehicle Loans	1,100,184	1,567,188
Less : Current maturity of long Term Debt (Refer Note 10.1)	(5,279,928)	(5,875,166)
Long Term Loans - Others	-	-
B) Unsecured Loans		
Long Term Loans - Others		
Deposit from Directors & Directors Relatives	14,890,799	17,986,155
	21,824,139	27,787,936

4.1 Secured loan above:-

- Rs.11113085/- is secured by way of first charge of equitable mortgage of the immovable properties of the company situated at village Oganaj, Greenwood Lake resort and building with Rajkot Nag. Sah. Bank Ltd. and additionally secured by personal guarantee of Chairman, Managing directors and two other Directors of the Company.
- Rs. 1100184/- term loan from HDFC bank against hypothecation of vehicles & equipment financed and personal guarantee of the Chairman, Director and Managing Director of the company.

Unsecured loan above:-

The Unsecured Deposits/Loans, as informed, are from Directors and Director's relatives and are in terms of stipulation of the lender Bank – THE RAJKOT NAGRIK SAHAKARI BANK LTD.

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Sr. No.	TYPE OF VEHICLE	AS ON 31/03/2012 (FIGURES IN ₹)	AS ON 31/03/2011 (FIGURES IN ₹)	EMI AMOUNT (₹)	MODE OF PAYMENT	NO. OF INSTALLMENTS	DATE OF COMMENCEMENT OF INSTALLMENT	LAST INSTALLMENT DUE ON	RATE OF INTEREST (%)
RAJKOT NAGRIK SAHKARI BANK LTD.									
1	142/1/129	1468553	1623908	32000	Monthly	95	06/06/2008	06/04/2016	15%
2	163/01/4	1231736	1366279	27000	Monthly	94	05/07/2008	06/04/2016	14.75%
3	163/1/2	3863144	5276288	161000	Monthly	90	26/04/2007	26/06/2014	14.25%
4	142/1/121	4549652	5843284	170000	Monthly	90	26/04/2007	12/07/2014	14.25%
	SUB TOTAL	11113085	14109759						
HDFC BANK									
5	USED	3,10,718	973033	64810/-	Monthly	36	05/09/2009	05/08/2012	14 - 15%
6	LIVA	5,02,056	0	18310/-	Monthly	36	05/12/2011	05/11/2014	10 - 11%
7	EECO	2,87,410	467909	18160/-	Monthly	36	05/09/2010	05/08/2013	12 - 13%
8	D. G. SET	0	126246	35700/-	Monthly	36	16/07/2008	16/07/2011	14 %
	SUB TOTAL	1100184	1567188						
	G. TOTAL	12213269	15676947						

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 5 Deferred Tax Liability (Refer Note 1.15)	-	-
Note: 6 Other Long Term Liabilities		
A.Trade Payables	-	-
B.Others	1,749,994	1,745,982
C. Advance received from customers	234,240	234,240
Deposit from GWLR scheme members	11,337,369	9,978,859
	13,321,603	11,959,081
Note: 7 Long Term Provisions		
For Other		
GEB DUTY PAYBLE-GWLR	2,196,817	2,196,817
MISCELL.EXP.PAYBLE	533,760	533,760
	2,730,577	2,730,577
Note: 8 Short Term Borrowings		
A) Secured Loans		
Short Term Borrowings - From Banks		
OD Limit With Axis Bank	6,369,241	907,531
B) Unsecured Loans		
Short Term Loans :-		
From Banks		
Loan from Kotak Mahindra Bank	-	267,777
From Others		
LCDTV LOAN -Sales india	-	11,118
Inter-Corporate Deposit	1,180,328	1,091,661
	7,549,569	2,278,087

8.1 Secured loan above:-

- ₹ 63,69,241.21 is secured by way of first charge of equitable mortgage of the immovable properties of the company situated at F.P. 530/TP1 Bodakdev, at Sun Rise center, Ahmedabad with Axis Bank consisting Shop No. 26 & 25 AB and additionally secured by personal Guarantee of Chairman, Managing Director and Two Other Directors bearing Rate of Interest of 16.00% p.a. with monthly rests and is repayable on demand.
- Short Term Loan from Banks and Others of previous year are personally guaranteed by the Chairman and Managing Director.

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 9 Trade Payable		
Sundry Creditors for goods & services	4,824,311	2,978,553
	4,824,311	2,978,553

9.1 Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2011 and 2012.

9.2 Balance confirmation not called for, are subject to confirmation and reconciliation, if any.

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 10 Other Current Liabilities		
10.1 Current maturities of long term debt (Refer Note no. 4.1)	5,279,928	5,875,166
Creditors for Capital Expenditure	1,649,199	1,548,808
Other Payables		
Statutory Remittances - Duties & Taxes payable	881,650	823,926
Outstanding Liabilities	4,172,576	4,178,169
Advance Recd from Customers	7,803,223	7,525,992
Deposit & advances from society	43,384,702	42,471,383
Development & Maintenance	1,243,733	1,243,733
	64,415,010	63,667,176
Note:11 Short-Term Provisions		
(A) Provision for Employee Benefits		
(i) Provision for Leave encashment	65,006	50,788
(B) Provision for Others		
(i) Provision for tax (Net of advance Income tax/TDS ' 1344485/- as at 31/03/2012; ' 30,00,000/- as at 31/03/2011)	182,679	-
(ii) Provision for proposed equity dividend	-	3,815,719
(iii) Provision for tax on proposed dividends	-	633,743
	247,685	4,500,250
Note: 13 Non-Current Investments		
Long Term Investment		
Trade and Unquoted (at cost)		
(a) Investment in Subsidiary 64179 Equity shares of Sterling Resorts Pvt. Ltd. face value Rs. 10 each fully paid.	7,123,869	7,123,869
(b) Investment in Other Entities - Co-operative Bank 12500 Equity Shares of Rajkot Nagrik Sahakari Bank Ltd. of Rs. 50/- each fully paid up.	625,000	625,000
	7,748,869	7,748,869

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 14 Long-Term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances		
(i) To related parties - Subsidiary Company Sterling Resorts Pvt Ltd. Unsecured Considered Good	2,992,239	2,830,421
(ii) INCOMETAX Deposited against disputed demand) (refer note 14.1)	3,808,836	3,608,836
	6,801,075	6,439,257

14.1 Long-term loans and advances:

Deposits made to the Income tax authority against past disputed tax liabilities as on 31/03/2012, Rs. NIL (P.Y. Rs 3608836). However, vide Income Tax Appellate Tribunal Order dated 28/02/2012, the disputed assessment proceedings of A.Y. 1995-96, 1997-98, 2001-02 and 2002-03 have been set aside. The balance represents Tax/Interest paid till respective balance sheet date for which provisions were not made.

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 15 Other Non Current Assets		
A) Secured Advances	-	-
B) Unsecured Advances-LONG TERM	-	-
Deposit with Banks (Refer note no. 19)	17,550,908	16,214,079
GWLR SUNDRY DEPOSIT	158,350	8,350
UGVCL SANAND SECURITY DEPOSIT	75,000	75,000
Long Term Trade Receivables		
Unsecured, considered good	-	6,337
Doubtful	293,006	283,590
Less: Provision for doubtful trade receivables	-	-
	18,077,264	16,587,356
Note: 16 Current Investment		
Investment in Shares & Securities	-	-
	-	-
Note: 17 Inventories (As taken, valued and certified by management) (At Lower of Cost OR Net Realisable Value)		
1. GWLR Stock of Food & Beverages etc.	364,442	171,102
2. Land Stock	12,759,669	5,673,475
3. W.I.P. of fencing work SC-II	818,278	-
	13,942,389	5,844,577
Note: 18 Trade Receivables		
Debtors outstanding for a period exceeding six months		
Considered Good	27,383,643	34,946,851
Considered Doubtful	708,421	708,422
Other Debtors		
Considered Good	6,166,485	4,517,508
	34,258,549	40,172,781
18.1 Balance confirmation not called for, are subject to confirmation and reconciliation, if any.		

PARTICULARS	TANGIBLE ASSETS									
	ASSETS	LAND	BUILDING	PLANT & MACHINERY	VEHICLE	FURNITURE	LIVE STOCK	TOTAL	CAPITAL W.I.P. (RETHAL)	TOTAL
COST OR VALUATION										
AS AT 1ST APRIL 2010	83283915	142457480.3	28173765.53	5335929.1	20964908.29	45801	280261799	433096	280694895	
ADDITION	1330150	4159554	1893828	947504	767659	0	9098695	1262867	10361562	
DISPOSAL	0	0	0	612671	0	0	612671	0	612671	
OTHER ADJUSTMENTS	0	0	0	0	0	0	0	0	0	
AS AT 31ST MARCH 2011	84614065	146617034	30067594	5670762	21732567	45801	288747823	1695963	290443786	
ADDITION	0	6735338	2569834.3	753549	1467647	0	11526369	759236	12285605	
DISPOSAL	0	793948	693662	276432	288368	0	2052409	0	2052409	
OTHER ADJUSTMENTS	0	0	0	0	0	0	0	0	0	
AS AT 31ST MARCH 2012	84614065	152558425	31943766	6147879	22911846	45801	298221783	2455199	300676982	
DEPRECIATION									0	
AS AT 01/04/2010	0	15677473	10054530	2085629	5929244	0	33746876	0	33746876	
CHARGE FOR THE YEAR	0	2076010.491	1038720.6	352208.43	666324.2372	0	4133264	0	4133264	
DISPOSAL	0	0	0	275835	0	0	275835	0	275835	
OTHER ADJUSTMENTS	0	0	0	0	0	0	0	0	0	
AS AT 31ST MARCH 2011	0	17753483	11093251	2162002	6595568	0	37604305	0	37604305	
CHARGE FOR THE YEAR	0	2127051	1052557.946	331543.68	664432.5472	0	4175585	0	4175585	
DISPOSAL	0	157017	433826	77875	0	0	668718	0	668718	
AS AT 31ST MARCH 2012	0	19723517	11711983	2415671	7260001	0	41111172	0	41111172	
NET BLOCK									0	
AS AT 31ST MARCH 2011	84614065	128863551	18974343	3508760	15136999	45801	251143518	1695963	252839481	
AS AT 31ST MARCH 2012	84614065	132834908	20231784	3732208	15651846	45801	257110611	2455199	259565810	

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Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 19 Cash & Bank balances		
Cash in Hand	138,238	93,955
Balance with Nationalised Banks :		
In Current Accounts	422,864	3,670,848
Balance with Scheduled Banks :		
In Current Accounts	547,573	870,441
In Fixed Deposit Accounts	17,550,908	16,214,079
Balance with Non Scheduled Banks :	1,692,101	3,391,725
Less :Term Deposit with Banks maturing after 12 months from Balance Sheet Date (refer note 15)	(17,550,908)	(16,214,079)
	2,800,776	8,026,969
Note :- 20 Short Term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances		
Advance to Suppliers	119,858	278,438
Advance to Others	2,383,925	2,372,622
ADVANCE RECOVERABLE (Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)	711,428	1,036,511
Advance Income Tax (net of provision for income tax and TDS)	-	671,070
Advance to Staff Unsecured, Considered good	115,350	61,551
	3,330,561	4,420,192
Note: 21 Other Current Assets		
Other	-	-
	-	-

NOTES TO THE STATEMENT OF PROFIT & LOSS

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note : 22 Sales		
Resort Operation and Room Occupancy		
Room Income	14,909,145	12,579,336
Food & Beverage Income	14,980,182	12,339,374
Misc. Sales at Resort	3,292,066	3,511,715
Resort Membership & Misc Sales	1,485,403	1,497,589
Sale of Scrap	46,707	38,765
Sales on Real Estate /Development Income		
Sale of scheme Land	26,531,500	67,262,425
Sales of Resale of Land	5,345,000	-
Scheme Developments Income	1,555,126	1,272,347
Fencing charges recovered	4,722,955	-
	72,868,084	98,501,551

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note : 23 Other Incomes		
Interest Income	1,337,089	1,550,004
Dividend Income		
On long term Investments	125,000	93,750
ST Profit on sale of villa	877,796	0
ST Profit on MF	13,055	0
Sundry Credit Balances w/off	605,284	0
Hoarding Rent/income	322,500	157,750
	3,280,724	1,801,504
Note: 24-A) Cost of Land Consumed		
Cost of Land Consumed and expenses		
Purchase Stock in Trade	8,924,000	9,648,838
Land Purchased	-	19,819,596
Fencing Expenses (Net of WIP)	2,442,722	-
	11,366,722	29,468,434
Note : 24-B) Food, Beverages & consumables.		
Opening Stock	171,102	149,677
Add:Purchases	9,340,678	6,798,359
SUB-TOTAL	9,511,780	6,948,036
less: Closing Stock	364,442	171,102
Material consumed	9,147,338	6,776,934
Note : 24-C) SCHEMES DEVELOPMENT EXPENSES		
Development Expenses - Schemes	9,015,070	7,929,273
	9,015,070	7,929,273
Note: 25 Increase/(Decrease) in Stocks		
Closing Stock of : Land	12,759,669	5,673,475
Total (A)	12,759,669	5,673,475
Opening Stock of : Land	5,673,475	3,127,500
Total (B)	5,673,475	3,127,500
Increase/(Decrease) in Stock (A-B)	(7,086,194)	(2,545,975)
Note: 26 Employees Remuneration & benefits		
Salary, Wages, Allowances & other Benefits	16,999,509	14,616,203
P. F. Contribution	369,875	350,151
Staff Welfare Expenses	53,193	66,379
	17,422,577	15,032,733
Note: 27 Financial Cost		
Interest on Bank Borrowings	2,412,535	2,924,035
Intest on other than Bank Borrowings	1,745,214	2,321,777
Bank charges	26,661	34,356
	4,184,410	5,280,168

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note: 28 Other Expenses		
A) Selling & Distribution Expenses		
Advertisement & Publicity	1,737,946	1,451,334
Sale Promotion Expenses	94,973	256,490
Sale Commission & Discount Allowed	1,003,993	3,552,506
Discount	234,620	121,520
Marketing Exp	382,555	397,066
B) Operating, Administrative & Other Expenses		
Bad- debts & Sundry Balances Written Off	767,934	1,896,485
Directors Sitting Fees	15,000	3,000
Donations	50,607	6,907
Electricity Expenses	4,563,574	4,176,106
GWLR operations Exp	1,700,604	1,018,172
Legal & Professional Fees	2,299,529	2,006,780
Loss on Sale of Assets	162,921	81,836
Miscellaneous Administrative Expenses	1,107,162	1,036,272
Rates and Taxes excluding Taxes on Income	1,728,412	2,626,920
Rent	90,000	90,000
Repairs & Maintenance Expense	1,934,279	1,377,293
Stationery & Printing Expense	408,093	768,565
Telephone, Cable & Internet Exp	860,498	794,627
Travelling & Conveyance Expense	209,239	246,526
Vehicle Expenses	1,160,674	1,276,111
Auditor's Remuneration	198,540	93,755
	20,711,152	23,278,271

Note :

Particulars	31/03/2012	31/03/2011
(i) Payments to the auditors comprises :		
As auditors - statutory audit	110300	93755
For Income Tax matters	16545	0
For Tax Audit	27575	0
For Service Tax	11030	
For Review & Certification	33090	0
Total	198540	93755

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note: 29 Contingent Liabilities & Commitments (to the extent not provided for)		
Contingent liabilities and commitments (to the extent not provided for)		
A) Service Tax Liability Outstanding		
(i) At CIT level	776,572	-
(ii) At Appellate Tribunal	8,099,899	6,841,226
B) Income Tax Liability Outstanding At Appellate Tribunal	NIL	5,652,180
Vide Income Tax Appellate Tribunal Order dated 28/02/2012, the disputed assessment proceedings of A.Y. 1995-96, 1997-98, 2001-02 and 2002-03 have been set aside for which provisions were not made. Rs. Nil (Paid Rs. 38,08,836/-) (P.Y. Demand Rs. 92,61,016/- Paid Rs. 36,08,836/-)		
(C) Labour Laws	1,673,400	1,673,400
(D) For SEBI Notice(Note No 29.01)		

- 29.01: The Company has been in receipt of a show cause notice under Rule 4 of SEBI (Procedure for holding enquiry and imposing penalties by adjudicating officer) Rule 1995. Company is in the process of participating in the enquiry proceedings and will endeavour the best to defend the case of the Company. The liability, if any, is not yet quantified.
- 29.02: The Company is also involved in certain litigation for lands acquired by it for Development purposes, either through agreements or through outright purchases. These case are pending with various courts and are scheduled for hearings. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements. The liabilities, if any, is not ascertainable.
- 29.03: The Company does not expect any reimbursement in respect of the above contingent liability and it is not practicable to estimate the timings of the Cash Out flows, if any, in respect of matters above pending and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

Particulars	31/03/2012	31/03/2011
Note: 30 Value of imports calculated on CIF basis	NIL	NIL
Value of imports calculated on CIF basis		
Note: 31 Expenditure in foreign currency		
Expenditure in foreign currency	NIL	NIL
Note: 32 Earnings in foreign exchange	NIL	NIL
Note: 33 Amounts remitted in foreign currency during the year on account of dividend		
Amounts remitted in foreign currency during the year on account of dividend	NIL	NIL

Note : 34 Segment Reporting

For Management Purpose, the Company is currently organised into two major operating activities – 1) Resorts and 2) Real Estate Business. These divisions are the basis on which the Company reports its primary segment information

- (i) Segment assets and liabilities:
Company is having two segments of business and Assets and Liabilities could not be bifurcated segment wise.
- (ii) Segment revenue and expenses
Segment revenue and expenses are taken directly as attributable to the segment. It does not include interest income on inter- corporate deposits, Profit on sale of investments, Interest expense, Provision for Contingencies and income-tax.

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The company operates primarily in India and there is no other significant geographical segment.

Particulars	31/03/2012			31/03/2011		
	Resort	Real Estate	Total	Resort	Real Estate	Total
REVENUE						
Domestic Income	34713503	38154581	72868084	29966779	68534772	98501551
Export Income	NIL	NIL	NIL	NIL	NIL	NIL
Inter-segment Income	NIL	NIL	NIL	NIL	NIL	NIL
RESULTS						
Segment Results						
Unallocated Corporate Exps	NIL	NIL	13714507	NIL	NIL	14930932
Operating Profit			32987571			41837152
Interest Expense	47280	4137130	4184410	109934	5170234	5280168
Interest Income			1337089			1550005
Income Tax	—	—	1777570	—	—	3289386
Net Profit			5699436			7925420
OTHER INFORMATION						
Segment assets						
Unallocated Corporate Assets			259565810			252839481
Total Assets						
Segment Liabilities						
Unallocated Corporate Liabilities						
Capital Expenditure						
Depreciation			3910727			3868411
Other on Capital Expenditure						

Note : 35 – Related Party Disclosure

A. List Related Parties and Relations

1. Subsidiaries, Fellow Subsidiaries and Associates

- Sterling Resorts Private Limited

2. Key Management Personnel

- Mr. B. Kumar
- Mr. Ankit Mathur
- Mrs. Meeta Mathur
- Mrs. Kusum B. Kumar
- Mr. Umang Vyas
- Mr. Kunal Mathur
- Mr. Minesh Surti

3. List of Relatives of Key Managerial Personnel and Enterprise over which Key Management Personnel and their relative excessive significant influence with whom transaction have taken place during the year

- Greenwood Organiser & Engineer Pvt. Ltd.
- Greenwood Recreation Pvt Ltd.
 - Sterling Resorts Private Limited
 - Madhu Mittal
 - Madhu Agarwal
 - Nipur Agarwal
 - Umeshchandra Agarwal

- Siddharth Seth
- Om Kumar – HUF
- B.Kumar (HUF)
- Manorama Agarwal
- Banwarilal charitable Trust
- M/S Architect Yetinder Mathur

A. (I) Transactions with Related Parties :-

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Interest Paid	—	—	1083948	1015274	326783	319469
Remuneration	—	—	5354517	5517500	—	—
Professional fees	—	—	81250	—	330900	330900
Rent	—	—	—	—	90000	90000
Sale of vila	—	—	1400000	—	—	—
Acceptance of loan	—	—	1600000	4900000	—	3542637
Repayment of loan	—	—	1329918	—	3243000	—
Loans Given	161818	81750	—	—	—	—

(ii) Outstanding transactions with related parties

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Unsecured Loans	—	—	10686755	9440640	924689	3873584
Loans & Advances	2992239	2830421	—	—	—	—
Salary payable	—	—	999330	829801	—	—
Rent Payable	—	—	—	—	1083480	1068480
Outstanding Liabilities	—	—	—	—	39000	39000

Note 36–Lease

- (i) Operating Lease: - Rental is expensed with reference to lease terms and other considerations.

Notes:-

The company has taken on lease one villa in Sterling Resorts owned by Banwarilal Charitable trust. The total Lease rent paid on the same amounting to Rs. 90,000/- (P.Y. Rs. 90,000/-) is included under Other Expense. The minimum lease rentals payable in respect thereof are as follows:

- not later than one year ₹ 90,000/-
- later than one year and not later than five years ₹ 450,000/-
- later than five years ₹ NIL

Lease payment recognised in profit and loss A/c for the period.

- The total yearly lease payment is ₹ 90,000/-
- Minimum lease per annum ₹ 90,000/-

Note 37 – Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue.

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares

Basic Earning per Share are disclosed in the profit and loss account. There is no Diluted Earnings per Share as there are no dilutive potential equity shares.

Particulars	This Year	Last Year
Earning Available for share holders (₹)	5699436	7925420
Weighted average of Equity Shares	4239688	4239688
Basic & diluted EPS (₹)	1.34	1.87
Face value of share	₹ 10/-	₹ 10/-

Note 38 : Previous year figures have been regrouped/rearranged so as to make them comparable with current year's figures.

Note 39 : The Provision for Current year's Income Tax Rs. 17,76,410/- (Previous Year Rs. 32,84,776/-) has been made on estimated basis for the accounting year ended on 31/03/2012. The actual tax liabilities of the company will be determined on the basis of taxable income of the Company for A.Y. 2012-13

Note 40 : Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2012.

Note 41 : Till the year ended March 31 2012 the company was using pre revised schedule VI to The Companies act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the companies act 1956 has become applicable to the company. The company has reclassified previous year figure to conform to this year's classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

Signatures to the Notes '1' to '41'

As per our separate report of even date attached

For, **ANIL S. SHAH & CO.**
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

PLACE : AHMEDABAD
Date : 14/08/2012

FOR AND BEHALF OF BOARD OF DIRECTORS

B. KUMAR
Chairman
(sd/-)

ANKIT MATHUR
Managing Director
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

Statement pursuant to section 212 of Companies Act, 1956 relating to Subsidiary Company

1. Name of Subsidiary : Sterling Resorts Private Limited
2. Financial Year of Subsidiary Company ended on : 31/03/2012
3. Date from which it became Subsidiary : 06/05/1986
4. Number of shares held by Sterling Greenwoods Limited (Holding Company) with its nominees in The Subsidiary at the end of the Financial Year of the Subsidiary : 64179 Equity shares of Rs. 10/- each fully paid up
5. Extent of Shareholding interest of Holding Company At the end of the Financial year of the Subsidiary : 95.08

Note : The subsidiary company has not commence its business activity hence details of profit & loss figures are not given.

INFORMATION REGARDING SUBSIDIARY COMPANIES (for the financial year or as on, as the case may be)

(₹ In Lacs)

Sr. No.	Particulars	Sterling Resort Pvt. Ltd.
	Financial Year Ending on	31-03-2012
1	Share Capital	6.75
2	Reserves	10.49
3	Liabilities	46.03
4	Total Liabilities	63.28
5	Total Assets	63.28
6	Investments (Excluding subsidiary Companies)	Nil
7	Turnover	Nil
8	Profit before Taxation	Nil
9	Provision for Taxation	Nil
10	Profit after Tax	Nil
11	Dividend	Nil

For and on Behalf of the Board

(B. KUMAR)
(Chairman)
(sd/-)

(ANKIT MATHUR)
(Managing Director)
(sd/-)

AUDITOR'S REPORT

To,

The Board of Director of STERLING GREENWOODS LIMITED

We have audited the attached consolidated Balance-Sheet of STERLING GREENWOODS LIMITED and its subsidiary STERLING RESORTS PRIVATE LIMITED as at 31/03/2012, and also the consolidated statement of Profit & Loss Account of the company for the year ended on that date annexed thereto and consolidated Cash Flow Statement for the period ended on that date which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatements. An Audit Includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 believed that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006

Based on our audit and on the other financial information of the components and to the best of our information and according to the explanation given to us, We are of the opinion that the attached Consolidated Financials Statements give a true and fair view in conformity with the accounting principles generally accepted in India.:-

- (a) In the case of the Consolidated Balance Sheet of the state of affairs of the group as at 31st March, 2012.
- (b) In the case of the statement of consolidated Profit & Loss Account of the Profit for the year ended on that date.
And
- (c) In the case of Consolidated Cash Flow Statement of the cash flow for the year ended on that date.

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

Place : Ahmedabad

Date : 14/08/2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012 OF STERLING GREENWOODS LIMITED & ITS SUBSIDIARY STERLING RESORTS PRIVATE LIMITED

PARTICULARS	Notes	AMOUNT (₹) 2011-12	AMOUNT (₹) 2010-11
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	42,859,960	42,859,960
(B) Reserves and Surplus	3	188,752,438	183,317,857
(c) Minority Interest	3(i)	84,864	84,864
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	22,169,950	28,133,747
(b) Deferred tax liabilities (Net)	5	0	0
(c) Other Long term liabilities	6	14,213,398	13,196,321
(d) Long term provisions	7	2,730,577	2,730,577
(4) Current Liabilities			
(a) Short-term borrowings	8	7,549,569	2,278,087
(b) Trade payables	9	4,824,311	2,978,553
(c) Other current liabilities	10	64,415,010	63,667,176
(d) Short-term provisions	11	275,657	4,505,750
Total		347,875,735	343,752,892
II. Assets			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		258,845,474	252,878,377
Goodwill on consolidation	12(i)	5,483,837	5,483,837
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		2,455,199	1,695,962
(iv) Intangible assets under development		0	0
(b) Non-current investments	13	625,000	625,000
(c) Deferred tax assets (net)		0	-
(d) Long term loans and advances	14	4,004,964	4,150,409
(e) Other non-current assets	15	22,063,986	20,389,788
(2) Current assets			
(a) Current investments	16	0	0
(b) Inventories	17	13,942,389	5,844,577
(c) Trade receivables	18	34,313,549	40,227,781
(d) Cash and cash equivalents	19	2,810,776	8,036,969
(e) Short-term loans and advances	20	3,330,561	4,420,192
(f) Other current assets	21	0	-
Total		347,875,735	343,752,892

The notes referred to above are an integral part of Financial Statements. Significant Accounting Policies and Notes as per Note '1'.

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

PLACE : AHMEDABAD
Date : 14/08/2012

For and on Behalf of the Board
STERLING GREENWOODS LIMITED

B. KUMAR
Chairman
(sd/-)

(ANKIT MATHUR)
(Managing Director)
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

CONSOLIDATED FINANCIAL STATEMENTS - STERLING GREENWOODS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31/03/2012

No.	Particulars	Note	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
I.	Revenue from operations	22	72,868,084	98,501,551
II.	Other Income	23	3,280,724	1,801,504
III.	Total Revenue (I+II)		76,148,808	100,303,055
IV.	Expenses :			
	Cost of Land consumed	24-A	11,366,722	29,468,434
	Food, Beverages & Consumable consumed	24-B	9,147,338	6,776,934
	Schemes Development Expenses	24-C	9,015,070	7,929,273
	Increase/(Decrease) in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(7,086,194)	(2,545,975)
	Employee benefit expense	26	17,422,577	15,032,733
	Financial costs	27	4,184,410	5,280,168
	Depreciation and amortization expense	12	4,175,580	4,133,264
	Less: Transfer to Revaluation Reserve		(264,853)	(264,853)
	Other expenses	28	20,711,152	23,278,271
	Total Expenses		68,671,802	89,088,249
V.	Profit before exceptional & extraordinary items and tax	(III - IV)	7,477,006	11,214,806
VII.	Profit before extraordinary items and tax	(V-VI)	7,477,006	11,214,806
VIII.	Extraordinary Items		-	-
IX.	Profit before tax	(VII - VIII)	7,477,006	11,214,806
X.	Tax expense :			
	(1) Current tax			
	Income tax		1,776,410	3,284,776
	Fringe Benefit tax		1,160	4,610
	(2) Deferred tax		-	-
XI.	Profit(Loss) for the period from continuing operations	(X - XI)	5,699,436	7,925,420
XII.	Profit/(Loss) for the period		5,699,436	7,925,420
XIII.	Earning per equity share of Rs10/- Basic and Diluted		1.34	1.87

The notes referred to above are an integral part of Financial Statements.
 Significant Accounting Policies and Notes as per Note '1'

As per our report of even date,

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

PLACE : AHMEDABAD
Date : 14/08/2012

For and on Behalf of the Board
STERLING GREENWOODS LIMITED

B. KUMAR
Chairman
(sd/-)

ANKIT MATHUR
Managing Director
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2011-2012

PARTICULARS	AMOUNT (₹) 2011-12	AMOUNT (₹) 2011-12	AMOUNT (₹) 2010-11	AMOUNT (₹) 2010-11
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) before tax & extraordinary items		7,477,006		11214806
Adjusted for :				
Depreciation	3,910,725		3,868,411	
Dividend received	(125,000)		(93,750)	
Loss on Sale of asset	162,641		62,000	
Profit on sale of asset	(877,795)		-	
Profit on mutual fund	(13,055)		-	
Interest (NET)	2,847,321	5,904,837	3,696,176	7,532,837
		13,381,843		18,747,643
Operating Profit Before working capital changes				
Adjustments For :				
Inventory	(8,097,812)		(2,567,400)	
Trade Receivables	5,914,232		(10,939,915)	
Non-Current Assets	(337,369)		(46,115)	
Repayment Short Term Loans & Advances	1,089,631		8,977,751	
Other Long Term Liabilities	1,017,077		(254,995)	
Trade payables	1,845,758		(35,269)	
Other Current Liabilities	747,834		24,658,372	
Short Term Provisions	219,369		1,273,899	
Short Term borrowing	5,271,482	7,670,202	(13,546,167)	7,520,161
Direct Taxes Paid		(1,777,570)		(3,289,386)
Net Cash flow from operating activity (A)		19,274,475		22,978,418
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Pre-operative Expenses	(167,817)		(81,750)	
Purchase of Fixed Assets	(10,952,422)		(9,098,695)	
Capital WIP	(759,237)		(1,262,867)	
Sale of Fixed Assets	1,524,900		254,269	
Fixed Deposits	(1,336,829)		(14,996,858)	
Profit on sale of mutual fund	13,055		-	
Net Cash used in investing activities (B)		(11,678,350)		(25,185,901)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Long term loans & advances	313,262		81,750	
Repayment of Long Term borrowing	(5,963,797)		(2,597,707)	
Dividend & Dividend Tax Paid	(4,449,462)		(2,976,134)	
Dividend Received	125,000		93,750	
Interest Paid	(4,184,410)		(5,246,180)	
Interest Received	1,337,089		1,550,004	
Net Cash in Flow from Financing Activities (C)		(12,822,318)		(9,094,517)
Net Increase in cash and Cash Equivalent (A+B+C)		(5,226,193)		(11,302,000)
Cash and Cash Equivalents as at 1/04/2011 (Opening Bal.)		8,036,969		19,338,969
Cash and Cash Equivalents as at 31/03/2012 (Closing Bal.)		2,810,776		8,036,969

Notes to the Cash Flow Statement for the year ended on 31.03.2012

- (1) The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- (2) Figures in bracket indicate cash Outflow.
- (3) The previous year figures have been regrouped/restated wherever necessary to conform to this year's classification.
- (4) During the year in view of Accounting Standard - 3 prevailing over Revised-Schedule-VI, Fixed Deposits with Bank that are not Cash Equivalent as per AS-3 have been taken to Investing Activity.

As per our Report of even date attached

For, ANIL S. SHAH & CO.
Chartered Accountants

For and on Behalf of the Board
STERLING GREENWOODS LIMITED

Place : Ahmedabad
Date : 14/08/2012

ANIL S. SHAH
(Partner)
Firm Reg. No. : 100474W
Member No. : 16613

(B. KUMAR)
(Chairman)

(ANKIT MATHUR)
(Managing Director)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2012

Note –1 SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The Consolidated financial Statements relate to Sterling Greenwoods Ltd and its Subsidiary Company – Sterling Resorts Private Limited. The Consolidated financial Statements have been prepared on the following basis :-

- a) The financial Statements of the Company and its Subsidiary Companies are combined on a line by line basis adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- b) The difference between the costs of investment in Subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) Minority interest's share of the net profit of Consolidated Subsidiaries for the year is identified and presented in the consolidated balance sheet separate from the liabilities and the equity of the Company's Shareholder.
- d) As far as possible the Consolidated Financial Statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Other Significant Accounting Policies:-

These are set out under Note 1 “Significant Accounting Policies” as given in the Standalone Financial statements of Sterling Greenwoods Limited” except the following

3. The figures of previous year are regrouped and rearranged wherever necessary so as to make them comparable with the current year. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

NOTES TO BALANCE SHEET

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 2 Share Capital		
Authorised : 50,00,000 Equity Shares of ₹ 10/- Each	50,000,000	50,000,000
Issued 4322788 Equity Shares of ₹ 10/- Each	42,396,880	42,396,880
Subscribed and fully paid up 4239688 Equity Shares of ₹ 10/- Each		
Forfeited Equity Shares (71600 Forfeited Equity Shares)	463,080	463,080
	42,859,960	42,859,960

1.1 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March, 2012 No. of Shares	As at 31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	42,39,688	42,39,688
Add : Shares issued	0	0
Less : Shares cancelled	0	0
Equity : Shares at the end of the year	42,39,688	42,39,688

1.2 Terms attached to Equity Share

The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares would be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

1.3 The details of Shareholders holding more than 5% shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Smt. Meeta Mathur	1111373	26.21%	1111,373	26.21%
Shri B. Kumar	920528	21.71%	9,20,528	21.71%
Shri Kusum B. Kumar	646204	15.24%	6,46,204	15.24%

1.4 As per the records of the Company including its Register of Shareholder/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represent both legal & beneficial ownership of the shares

1.5 Details of forfeited shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amt. Originally paid up	No. of Shares	Amt. Originally paid up
Equity shares with voting rights	71600	463080	71600	463080
Equity shares with differential voting rights	0	0	0	0

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 3 Reserve & Surplus		
Balance	145324077	145588930
(B) Surplus in the Statement of Profit & Loss		
As at Commencement of the Year	37,728,925	37,229,103
Add : Transferred from Profit & Loss Account	5,699,436	7,925,420
Balance	43,428,361	45,154,523
Less: Appropriations		
Proposed Dividend Rs Nil (P.Y. Rs. 0.90 per share)	-	3,815,719
Tax on Proposed dividend	-	633,743
Balance	43,428,361	40,705,061
Less : Dividend of the Previous year Rs. 0.60 per share (P.Y. Rs. Nil)	-	2,543,813
Less : Tax on Dividend for the Previous year	-	432,321
Net Surplus as per Statement of Profit & Loss -(B)	43,428,361	37,728,927
TOTAL RESERVES AND SURPLUS (A + B)	188,752,438	183,317,857

Note : 3(i) Minority Interest

The minority interest is recalculated so as to arrive at correct minority interest. And accordingly previous year figure is also restated. Consequent Effect has been given in Goodwill on consolidation Notes no. 12(i)

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 4 Long-Term Borrowings		
A) Secured Loans		
FROM BANKS		
Term Loan	11,113,085	14,109,759
Vehicle Loans	1,100,184	1,567,188
Less : Current maturity of long Term Debt (Refer Note 10.1)	(5,279,928)	(5,875,166)
Long Term Loans - Others	-	-
B) Unsecured Loans		
Long Term Loans - Others		
Deposit from Directors & Directors Relatives	15,236,610	18,331,966
	22,169,950	28,133,747

4.1 Secured loan above:-

- Rs.11113085/- is secured by way of first charge of equitable mortgage of the immovable properties of the company situated at village Oganaj, Greenwood Lake resort and building with Rajkot Nag. Sah. Bank Ltd. and additionally secured by personal guarantee of Chairman, Managing directors and two other Directors of the Company.
- Rs. 1100184/- term loan from HDFC bank against hypothecation of vehicles & equipment financed and personal guarantee of the Chaiman, Director and Managing Director of the company.

Unsecured loan above:-

The Unsecured Deposits/Loans, as informed, are from Directors and Director's relatives and are in terms of stipulation of the lender Bank – THE RAJKOT NAGRIK SAHAKARI BANK LTD.

Sr. No.	TYPE OF VEHICLE	AS ON 31/03/2012 (FIGURES IN ₹)	AS ON 31/03/2011 (FIGURES IN ₹)	EMI AMOUNT (₹)	MODE OF PAYMENT	NO. OF INSTALLMENTS	DATE OF COMMENCEMENT OF INSTALLMENT	LAST INSTALLMENT DUE ON	RATE OF INTEREST (%)
RAJKOT NAGRIK SAHKARI BANK LTD.									
1	142/1/129	1468553	1623908	32000	Monthly	95	06/06/2008	06/04/2016	15%
2	163/01/4	1231736	1366279	27000	Monthly	94	05/07/2008	06/04/2016	14.75%
3	163/1/2	3863144	5276288	161000	Monthly	90	26/04/2007	26/06/2014	14.25%
4	142/1/121	4549652	5843284	170000	Monthly	90	26/04/2007	12/07/2014	14.25%
	SUB TOTAL	11113085	14109759						
HDFC BANK									
5	USED	3,10,718	973033	64810/-	Monthly	36	05/09/2009	05/08/2012	14 - 15%
6	LIVA	5,02,056	0	18310/-	Monthly	36	05/12/2011	05/11/2014	10 - 11%
7	EECO	2,87,410	467909	18160/-	Monthly	36	05/09/2010	05/08/2013	12 - 13%
8	D. G. SET	0	126246	35700/-	Monthly	36	16/07/2008	16/07/2011	14%
	SUB TOTAL	1100184	1567188						
	G. TOTAL	12213269	15676947						

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 5 Deferred Tax Liability (Refer Note 1.15)	-	-
Note: 6 Other Long Term Liabilities		
A.Trade Payables	-	-
B.Others	2,641,789	2,983,222
C. Advance received from customers	234,240	234,240
Deposit from GWLR scheme members	11,337,369	9,978,859
	14,213,398	13,196,321
Note: 7 Long Term Provisions		
For Other		
GEB DUTY PAYBLE-GWLR	2,196,817	2,196,817
MISCELL.EXP.PAYBLE	533,760	533,760
	2,730,577	2,730,577
Note: 8 Short Term Borrowings		
A) Secured Loans		
Short Term Borrowings - From Banks		
OD Limit With Axis Bank	6,369,241	907,531
B) Unsecured Loans		
Short Term Loans :-		
From Banks		
Loan from Kotak Mahindra Bank	-	267,777
From Others		
LCDTV LOAN -Sales india	-	11,118
Inter-Corporate Deposit	1,180,328	1,091,661
	7,549,569	2,278,087

8.1 Secured loan above:-

- ₹ 63,69,241.21 is secured by way of first charge of equitable mortgage of the immovable properties of the company situated at F.P. 530/TP1 Bodakdev, at Sun Rise center, Ahmedabad with Axis Bank consisting Shop No. 26 & 25 AB and additionally secured by personal Guarantee of Chairman, Managing Director and Two Other Directors bearing Rate of Interest of 16.00% p.a. with monthly rests and is repayable on demand.
- Short Term Loan from Banks and Others of previous year are personally guaranteed by the Chairman and Managing Director.

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 9 Trade Payable		
Sundry Creditors for goods & services	4,824,311	2,978,553
	4,824,311	2,978,553

9.1 Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2011 and 2012.

9.2 Balance confirmation not called for, are subject to confirmation and reconciliation, if any.

Particulars	31/03/2012 (Figures In ₹)	31/03/2011 (Figures in ₹)
Note: 10 Other Current Liabilities		
10.1 Current maturities of long term debt (Refer Note no. 4.1)	5,279,928	5,875,166
Creditors for Capital Expenditure	1,649,199	1,548,808
Other Payables		
Statutory Remittances - Duties & Taxes payable	881,650	823,926
Outstanding Liabilities	4,172,576	4,178,169
Advance Recd from Customers	7,803,223	7,525,992
Deposit & advances from society	43,384,702	42,471,383
Development & Maintenance	1,243,733	1,243,733
	64,415,010	63,667,176
Note:11 Short-Term Provisions		
(A) Provision for Employee Benefits		
(i) Provision for Leave encashment	65,006	50,788
(B) Provision for Others		
(i) Provision for tax (Net of advance Income tax/TDS ' 1344485/- as at 31/03/2012; ' 30,00,000/- as at 31/03/2011)	182,679	-
(ii) Provision for proposed equity dividend	-	3,815,719
(iii) Provision for tax on proposed dividends	-	633,743
(iv) Other Expenses	27,972	5,550
	275,657	4,505,750
Note: 13 Non-Current Investments		
Long Term Investment		
Trade and Unquoted (at cost)		
(b) Investment in Other Entities - Co-operative Bank 12500 Equity Shares of Rajkot Nagrik Sahakari Bank Ltd. of Rs. 50/- each fully paid up.	625,000	625,000
	625,000	625,000

CONSOLIDATED BALANCE SHEET

Notes : 12 : FIXED ASSETS

ASSETS	FREEHOLD LAND	LEASE HOLD LAND	BUILDING	PLANT & MACHINERY	VEHICLE	FURNITURE	LIVE STOCK	TOTAL	CAPITAL W.I.P. (RETHAL)	TOTAL
COST OR VALUATION										
AS AT 1ST APRIL 2010	84858415	101980	142457480	28173766	5336680	21022540	45801	281996662	433096	282429758
ADDITION	1330150	0	4159554	1893828	947504	767659	0	9098695	1262867	10361562
DISPOSAL	0	0	0	0	612671	0	0	612671	0	612671
OTHER ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
AS AT 31ST MARCH 2011	86188565	101980	146617034	30067594	5671513	21790199	45801	290482686	1695963	292178649
ADDITION	0	0	6735338	2569834.3	753549	1467647	0	11526369	759236	12285605
DISPOSAL	0	0	793948	693662	276432	288368	0	2052409	0	2052409
OTHER ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
AS AT 31ST MARCH 2012	86188565	101980	152558425	31943766	6148630	22969478	45801	299956646	2455199	302411845
DEPRECIATION										
AS AT 01/04/2010	0	0	15677473	10054530	2085629	5929244	0	33746876	0	33746876
CHARGE FOR THE YEAR	0	0	2076010.491	1038720.6	352208.4	666324.237	0	4133264	0	4133264
DISPOSAL	0	0	0	0	275835	0	0	275835	0	275835
OTHER ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
AS AT 31ST MARCH 2011	0	0	17753483	11093251	2162002	6595568	0	37604305	0	37604305
CHARGE FOR THE YEAR	0	0	2127051	1052557.95	331543.7	664432.547	0	4175585	0	4175585
DISPOSAL	0	0	157017	433826	77875	0	0	668718	0	668718
AS AT 31ST MARCH 2012	0	0	19723517	11711983	2415671	7260001	0	41111172	0	41111172
NET BLOCK										0
AS AT 31ST MARCH 2011	86188565	101980	128863551	18974343	3509511	15194631	45801	252878381	1695963	254574344
AS AT 31ST MARCH 2012	86188565	101980	132834908	20231784	3732959	15709478	45801	258845474	2455199	261300673

Notes : 12(i) Goodwill on consolidation

The Goodwill is recalculated so as to arrive at correct Goodwill on consolidation and accordingly previous year figure is also restated. Consequent Effect has been given in Minority interest note no 2 (i).

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 14 Long-Term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances		
(i) To Related Parties	-	-
Stering Housing & Cons.Pvt Ltd.	-	224,501
Mr.B.Kumar	-	120,944
(ii) To Others	105,648	105,648
(iii) Income Tax & TDS	90,480	90,480
(iv) INCOMETAX Deposited against disputed demand) (refer note, 14.1)	3,808,836	3,608,836
	4,004,964	4,150,409

14.1 Long-term loans and advances:

Deposits made to the Income tax authority against past disputed tax liabilities as on 31/03/2012, Rs. NIL (P.Y. Rs 3608836). However, vide Income Tax Appellate Tribunal Order dated 28/02/2012, the disputed assessment proceedings of A.Y. 1995-96, 1997-98, 2001-02 and 2002-03 have been set aside. The balance represents Tax/Interest paid till respective balance sheet date for which provisions were not made.

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 15 Other Non Current Assets		
A) Secured Advances	-	-
B) Unsecured Advances-LONG TERM	-	-
Deposit with Banks (Refer note no. 19)	17,550,908	16,214,079
GWLR SUNDRY DEPOSIT	158,350	8,350
UGVCL SANAND SECURITY DEPOSIT	75,000	75,000
Long Term Trade Receivables		
Unsecured, considered good	-	6,337
Doubtful	293,006	283,590
Less: Provision for doubtful trade receivables	-	-
Preliminary Expenses	3,500	3,500
Preoperative Exp. pending allocation.	3,983,222	3,798,932
	22,063,986	20,389,788
Note: 16 Current Investment		
Investment in Shares & Securities	-	-
	-	-
Note: 17 Inventories (As taken, valued and certified by management) (At Lower of Cost OR Net Realisable Value)		
1. GWLR Stock of Food & Beverages etc.	364,442	171,102
2. Land Stock	12,759,669	5,673,475
3. W.I.P.of fencing work SC-II	818,278	-
	13,942,389	5,844,577
Note: 18 Trade Receivables		
Debtors outstanding for a period exceeding six months		
Considered Good	27,383,643	34,946,851
Considered Doubtful	763,421	763,422
Other Debtors		
Considered Good	6,166,485	4,517,508
	34,313,549	40,227,781
18.1 Balance are subject to confirmation and reconciliation, if any. Balances have not been called for confirmation.		

Sterling Greenwoods Ltd.



Annual Report F. Y. 2011-12

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 19 Cash & Bank balances		
Cash in Hand	138,238	93,955
Balance with Nationalised Banks :		
In Current Accounts	432,864	3,680,848
Balance with Scheduled Banks :		
In Current Accounts	547,573	870,441
In Fixed Deposit Accounts	17,550,908	16,214,079
Balance with Non Scheduled Banks :	1,692,101	3,391,725
Less : Term Deposit with Banks maturing after 12 months from Balance Sheet Date (refer note 15)	(17,550,908)	(16,214,079)
	2,810,776	8,036,969
Note :- 20 Short Term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances		
Advance to Suppliers	119,858	278,438
Advance to Others	2,383,925	2,372,622
ADVANCE RECOVERABLE (Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)	711,428	1,036,511
Advance Income Tax (net of provision for income tax and TDS)	-	671,070
Advance to Staff		
Unsecured, Considered good	115,350	61,551
	3,330,561	4,420,192
Note: 21 Other Current Assets		
Other	-	-
	-	-

NOTES TO THE STATEMENT OF PROFIT & LOSS

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note : 22 Sales		
Resort Operation and Room Occupancy		
Room Income	14,909,145	12,579,336
Food & Beverage Income	14,980,182	12,339,374
Misc. Sales at Resort	3,292,066	3,511,715
Resort Membership & Misc Sales	1,485,403	1,497,589
Sale of Scrap	46,707	38,765
Sales on Real Estate /Development Income		
Sale of scheme Land	26,531,500	67,262,425
Sales of Resale of Land	5,345,000	-
Scheme Developments Income	1,555,126	1,272,347
Fencing charges recovered	4,722,955	-
	72,868,084	98,501,551

Sterling Greenwoods Ltd.



Annual Report F. Y. 2011-12

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note : 23 Other Incomes		
Interest Income	1,337,089	1,550,004
Dividend Income		
On long term Investments	125,000	93,750
ST Profit on sale of villa	877,796	0
ST Profit on MF	13,055	0
Sundry Credit Balances w/off	605,284	0
Hoarding Rent/income	322,500	157,750
	3,280,724	1,801,504
Note: 24-A) Cost of Land Consumed		
Cost of Land Consumed and expenses		
Purchase Stock in Trade	8,924,000	9,648,838
Land Purchased	-	19,819,596
Fencing Expenses (Net of WIP)	2,442,722	-
	11,366,722	29,468,434
Note : 24-B) Food, Beverages & consumables.		
Opening Stock	171,102	149,677
Add:Purchases	9,340,678	6,798,359
SUB-TOTAL	9,511,780	6,948,036
less: Closing Stock	364,442	171,102
Material consumed	9,147,338	6,776,934
Note : 24-C) SCHEMES DEVELOPMENT EXPENSES		
Development Expenses - Schemes	9,015,070	7,929,273
	9,015,070	7,929,273
Note: 25 Increase/(Decrease) in Stocks		
Closing Stock of : Land	12,759,669	5,673,475
Total (A)	12,759,669	5,673,475
Opening Stock of : Land	5,673,475	3,127,500
Total (B)	5,673,475	3,127,500
Increase/(Decrease) in Stock (A-B)	(7,086,194)	(2,545,975)
Note: 26 Employees Remuneration & benefits		
Salary, Wages, Allowances & other Benefits	16,999,509	14,616,203
P. F. Contribution	369,875	350,151
Staff Welfare Expenses	53,193	66,379
	17,422,577	15,032,733
Note: 27 Financial Cost		
Interest on Bank Borrowings	2,412,535	2,924,035
Intest on other than Bank Borrowings	1,745,214	2,321,777
Bank charges	26,661	34,356
	4,184,410	5,280,168

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note: 28 Other Expenses		
A) Selling & Distribution Expenses		
Advertisement & Publicity	1,737,946	1,451,334
Sale Promotion Expenses	94,973	256,490
Sale Commission & Discount Allowed	1,003,993	3,552,506
Discount	234,620	121,520
Marketing Exp	382,555	397,066
B) Operating, Administrative & Other Expenses		
Bad-debts & Sundry Balances Written Off	767,934	1,896,485
Directors Sitting Fees	15,000	3,000
Donations	50,607	6,907
Electricity Expenses	4,563,574	4,176,106
GWLR operations Exp	1,700,604	1,018,172
Legal & Professional Fees	2,299,529	2,006,780
Loss on Sale of Assets	162,921	81,836
Miscellaneous Administrative Expenses	1,107,162	1,036,272
Rates and Taxes excluding Taxes on Income	1,728,412	2,626,920
Rent	90,000	90,000
Repairs & Maintenance Expense	1,934,279	1,377,293
Stationery & Printing Expense	408,093	768,565
Telephone, Cable & Internet Exp	860,498	794,627
Travelling & Conveyance Expense	209,239	246,526
Vehicle Expenses	1,160,674	1,276,111
Auditor's Remuneration	198,540	93,755
	20,711,152	23,278,271

Note: 28.1

Particulars	31/03/2012	31/03/2011
(i) Payments to the auditors comprises :		
As auditors - statutory audit	110300	93755
For Income Tax matters	16545	0
For Tax Audit	27575	0
For Service Tax	11030	
For Review & Certification	33090	0
Total	198540	93755

Particulars	Year Ending 31/03/2012 (Figures in ₹)	Year Ending 31/03/2011 (Figures in ₹)
Note: 29 Contingent Liabilities & Commitments (to the extent not provided for)		
Contingent liabilities and commitments (to the extent not provided for)		
A) Service Tax Liability Outstanding		
(i) At CIT level	776,572	-
(ii) At Appellate Tribunal	8,099,899	6,841,226
B) Income Tax Liability Outstanding		
At Appellate Tribunal	NIL	5,652,180
Vide Income Tax Appellate Tribunal Order dated 28/02/2012, the disputed assessment proceedings of A.Y. 1995-96, 1997-98, 2001-02 and 2002-03 have been set aside for which provisions were not made. Rs. Nil (Paid Rs. 38,08,836/-) (P.Y. Demand Rs. 92,61,016/- Paid Rs. 36,08,836/-)		
(C) Labour Laws	1,673,400	1,673,400
(D) For SEBI Notice(Note No 29.01)		

29.01: The Company has been in receipt of a show cause notice under Rule 4 of SEBI (Procedure for holding enquiry and imposing penalties by adjudicating officer) Rule 1995. Company is in the process of participating in the enquiry proceedings and will endeavour the best to defend the case of the Company. The liability, if any, is not yet quantified.

29.02: The Company is also involved in certain litigation for lands acquired by it for Development purposes, either through agreements or through outright purchases. These case are pending with various courts and are scheduled for hearings. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements. The liabilities, if any, is not ascertainable.

29.03: The Company does not expect any reimbursement in respect of the above contingent liability and it is not practicable to estimate the timings of the Cash Out flows, if any, in respect of matters above pending and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

Particulars	31/03/2012	31/03/2011
Note: 30 Value of imports calculated on CIF basis	NIL	NIL
Value of imports calculated on CIF basis		
Note: 31 Expenditure in foreign currency		
Expenditure in foreign currency	NIL	NIL
Note: 32 Earnings in foreign exchange	NIL	NIL
Note: 33 Amounts remitted in foreign currency during the year on account of dividend		
Amounts remitted in foreign currency during the year on account of dividend	NIL	NIL

Note : 34 Segment Reporting

For Management Purpose, the Company is currently organised into two major operating activities – 1) Resorts and 2) Real Estate Business. These divisions are the basis on which the Company reports its primary segment information

(i) Segment assets and liabilities:

Company is having two segments of business and Assets and Liabilities could not be bifurcated segment wise.

(ii) Segment revenue and expenses

Segment revenue and expenses are taken directly as attributable to the segment. It does not include interest income on inter- corporate deposits, Profit on sale of investments, Interest expense, Provision for Contingencies and income-tax.

Sterling Greenwoods Ltd.



Annual Report F. Y. 2011-12

The company operates primarily in India and there is no other significant geographical segment.

Particulars	31/03/2012			31/03/2011		
	Resort	Real Estate	Total	Resort	Real Estate	Total
REVENUE						
Domestic Income	34713503	38154581	72868084	29966779	68534772	98501551
Export Income	NIL	NIL	NIL	NIL	NIL	NIL
Inter-segment Income	NIL	NIL	NIL	NIL	NIL	NIL
RESULTS						
Segment Results						
Unallocated Corporate Exps	NIL	NIL	13714507	NIL	NIL	14930932
Operating Profit			32987571			41837152
Interest Expense	47280	4137130	4184410	109934	5170234	5280168
Interest Income			1337089			1550005
Income Tax	—	—	1777570	—	—	3289386
Net Profit			5699436			7925420
OTHER INFORMATION						
Segment assets						
Unallocated Corporate Assets			259565810			252839481
Total Assets						
Segment Liabilities						
Unallocated Corporate Liabilities						
Capital Expenditure						
Depreciation			3910727			3868411
Other on Capital Expenditure						

Note : 35 – Related Party Disclosure

A. List Related Parties and Relations

1. Subsidiaries, Fellow Subsidiaries and Associates

- Sterling Resorts Private Limited

2. Key Management Personnel

- Mr. B. Kumar
- Mr. Ankit Mathur
- Mrs. Meeta Mathur
- Mrs. Kusum B. Kumar
- Mr. Umang Vyas
- Mr. Kunal Mathur
- Mr. Minesh Surti
- Mr. Yetinder Mathur
- Mr. Vikram Mathur
- Mr. Virendra Rawat
- Mr. P. V. R. N. Iyer

3. List of Relatives of Key Managerial Personnel and Enterprise over which Key Management Personnel and their relative excessive significant influence with whom transaction have taken place during the year

- Greenwood Organiser & Engineer Pvt. Ltd.
- Greenwood Recreation Pvt Ltd.
- Sterling Resorts Private Limited

- Gaurav Mittal
- Madhu Mittal
- Madhu Agarwal
- Nipur Agarwal
- Umeshchandra Agarwal
- Siddharth Seth
- Om Kumar - HUF
- B. Kumar (HUF)
- Manorama Agarwal
- Banwarilal Charitable Trust
- Architect Yetinder Mathur

A. (I) Transactions with Related Parties :-

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Interest Paid	—	—	1083948	1015274	326783	319469
Remuneration	—	—	5354517	5517500	—	—
Professional fees	—	—	81250	—	330900	330900
Rent	—	—	—	—	90000	90000
Sale of vila	—	—	1400000	—	—	—
Acceptance of loan	—	—	1600000	4900000	—	3542637
Repayment of loan	—	—	1329918	—	3243000	—
Loans Given	—	—	—	—	—	—

(ii) Outstanding transactions with related parties

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Unsecured Loans	—	—	10859685	9613570	1097570	4046465
Loans & Advances	—	—	120944	120944	224501	224501
Salary payable	—	—	999330	829801	—	—
Rent Payable	—	—	—	—	1083480	1068480
Outstanding Liabilities	—	—	—	—	546808	546808

Note 36—Lease

(i) Operating Lease: - Rental is expensed with reference to lease terms and other considerations.

Notes:-

The company has taken on lease one villa in Sterling Resorts owned by Banwarilal Charitable trust and N.A. Land at Mount Abu in Rajasthan.

The total Lease rent paid on the same amounting to Rs. 1,80,000/- (P.Y. Rs. 1,80,000/-) is included under Other Expense and pre-operative expense respectively. The minimum lease rentals payable in respect thereof are as follows:

- not later than one year ₹ 1,80,000/-
- later than one year and not later than five years ₹ 9,00,000/-
- later than five years ₹ 12,60,000/-

Lease payment recognised in profit and loss A/c for the period.

The total yearly lease payment is ₹ 180,000/-

Minimum lease per annum ₹ 180,000/-

Note 37 – Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue.

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares

Basic Earning per Share are disclosed in the profit and loss account. There is no Diluted Earnings per Share as there are no dilutive potential equity shares.

Particulars	This Year	Last Year
Earning Available for share holders (₹)	5699436	7925420
Weighted average of Equity Shares	4239688	4239688
Basic & diluted EPS (₹)	1.34	1.87
Face value of share	₹ 10/-	₹ 10/-

Note 38 : Previous year figures have been regrouped/rearranged so as to make them comparable with current year's figures.

Note 39 : The Provision for Current year's Income Tax Rs. 17,76,410/- (Previous Year Rs. 32,84,776/-) has been made on estimated basis for the accounting year ended on 31/03/2012. The actual tax liabilities of the company will be determined on the basis of taxable income of the Company for A.Y. 2012-13

Note 40 : Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2012.

Note 41 : Till the year ended March 31 2012 the company was using pre revised schedule VI to The Companies act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the companies act 1956 has become applicable to the company. The company has reclassified previous year figure to conform to this year's classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

Signatures to the Notes '1' to '41'

As per our separate report of even date attached

For, **ANIL S. SHAH & CO.**
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

FOR AND BEHALF OF BOARD OF DIRECTORS

B. KUMAR
Chairman
(sd/-)

ANKIT MATHUR
Managing Director
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

PLACE : AHMEDABAD
Date : 14/08/2012

STERLING RESORTS PRIVATE LIMITED

26th ANNUAL REPORT

2011 - 12

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of STERLING RESORTS PRIVATE LIMITED will be held on Saturday the 29th September 2012 at the registered office of the Company at 04.00 p.m. to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2012 and Profit and Loss Account for the year ended on 31st March 2012 together with Directors' and Auditors' Report
2. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the 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

PLACE : AHMEDABAD
DATE : 14/08/2012

Shri Basant Kumar
Chairman
(sd/-)

DIRECTOR'S REPORT

Dear Members,

The Directors have pleasure to present 26th Annual Report and Audited Accounts for the financial year ended on 31st March, 2012.

FINANCIAL RESULTS :

During the year under review, the Company has incurred pre-operative expenses amounting to Rs. 1,84,291/- . The Municipality Mount Abu has accorded sanction to the plans of our hotel project. However there is stay order of High Court of Rajasthan 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 stand still 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 an hence no provision therefore was made in the accounts.

FIXED DEPOSITS:

The Company has not accepted any fixed deposit from the public during the period. No deposits are outstanding as on 31st March, 2012.

PARTICULARS OF EMPLOYEES:

Particulars of employees in accordance with the provision of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are not given as none of the employees qualify for such disclosure.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the Annual Accounts for the financial year ended on 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012 and of the Profit of the company for the year ending on that date;
- The directors have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the annual accounts for the financial year ended on 31st March 2012 on a going concern basis.

AUDITORS :

M/s Anil S Shah & Co., Chartered Accountants, retire and offer themselves for re-appointment.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company does not consume Energy in its business so matter of Energy Conservation is not applicable to said Company. Company does not use any Technology procured from outside Agency hence Technology Absorption does not applicable to the Company. Company does not have any Export Earnings in the FinancialYear 2011-12 hence particulars of Foreign Exchange not applicable to the Company.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Shri Basant Kumar
Chairman
(sd/-)

PLACE : AHMEDABAD
DATE : 14/08/2012

AUDITOR'S REPORT

To,
The Members of
STERLING RESORT PVT. LTD.

We have audited the attached Balance-Sheet of **STERLING RESORTS PRIVATE LIMITED** as on 31/03/2012, of the company. 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 believed that our audit provides a reasonable basis for our opinion.

1. This report does not includes a statement on the matter, as required by the Companies (Auditors Report) order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4-A) of section 227 of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph (2) above, we state that:
 - (i) 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.
 - (ii) In our opinion, the Company has kept proper Books of Accounts as required by law so far as appears from our examination of the Books.
 - (iii) The said Balance Sheet dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet dealt with by this report have been prepared in compliance with the accounting standards referred to in sub section (3C) of section 211 of the Act, to the extent applicable.
 - (v) On the basis of our review of the written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the company 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, 2012.

For, ANIL S. SHAH & CO.
Chartered Accountants

PLACE : AHMEDABAD
DATE : 14/08/2012

ANIL S. SHAH
(Partner)
Firm Reg. No. : 100474W
Member No. : 16613

BALANCE SHEET AS AT 31ST MARCH 2012

No.	Particulars	Note	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(A) Share Capital	2	675,000	675,000
	(B) Reserves and Surplus	3	1,049,896	1,049,896
	(c) Money received against share warrants		-	-
(2)	Share application money pending allotment		-	-
(3)	Non-Current Liabilities			
	(a) Long-term borrowings	4	3,338,050	3,176,232
	(b) Deferred tax liabilities (Net)	5	-	-
	(c) Other Long term liabilities	6	891,795	1,237,240
	(d) Long term provisions	7	-	-
(4)	Current Liabilities			
	(a) Short-term borrowings	8	-	-
	(b) Trade payables	9	-	-
	(c) Other current liabilities	10	-	-
	(d) Short-term provisions	11	27,972	5,500
	Total		5,982,714	6,143,868
II.	Assets			
(1)	Non-current assets			
	(a) Fixed assets	12	1,734,863	1,734,863
	(i) Tangible assets			
	(ii) Intangible assets		0	0
	(iii) Capital work-in-progress		0	0
	(iv) Intangible assets under development		0	0
	(b) Non-current investments	13	0	0
	(c) Deferred tax assets (net)		0	0
	(d) Long term loans and advances	14	196,128	541,573
	(e) Other non-current assets	15	3,986,723	3,802,432
(2)	Current assets			
	(a) Current investments	16	0	0
	(b) Inventories	17	0	0
	(c) Trade receivables	18	55,000	55,000
	(d) Cash and cash equivalents	19	10,000	10,000
	(e) Short-term loans and advances	20	0	0
	(f) Other current assets	21	0	0
	Total		5,982,714	6,143,868

The notes referred to above are an integral part of Financial Statements.
Significant Accounting Policies and Notes as per Note '1'

As per our report of even date,

For, **ANIL S. SHAH & CO.**
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

PLACE : AHMEDABAD
Date : 14/08/2012

FOR AND BEHALF OF BOARD OF DIRECTORS

B. KUMAR
Chairman
(sd/-)

KUSUM B. KUMAR
Director
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 .03.2012

NOTE NO : 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles on going concern basis and provisions of The Companies Act, 1956 as adopted consistently by the company.

The accounting policies have been consistently applied by the company and are in consistent with those used in previous year except for the change in accounting policy explained in note c)- i below

- b) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

- c) The company generally follows mercantile system of accounting

- c)-i Change in accounting policy

Presentation and disclosure in financial statements;

During the year ended March 31, 2012 the revised Schedule VI notified under the companies act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

1.2 Disclosure of Accounting Policies

The Accounting Principles and policies recognized as appropriate for measurement and reporting of the financial performance and the financial position on mercantile system and recognize items of income and expenditure on accrual basis. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

1.3 Contingencies and Events occurring after Balance sheet date.

Material Events occurring after Balance sheet date are taken into cognizance. There have been no material changes or events since the date of balance sheet affecting financial statements as on the Balance sheet date. Further, the dates of Balance sheet, no events or circumstances have occurred, though properly excluded from the accounts, are of such importance that they should be disclosed through any medium.

1.4 Depreciation Accounting

- a) The Gross Block of fixed assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.
- b) Depreciation on fixed assets is not provided on it's assets as per schedule XIV of the Companies Act, 1956.as there are no commercial activities during the year and hence, fixed assets are stated at historical cost.

1.5 Accounting of Fixed Assets

- a) Tangible assets

Tangible assets are stated at historical cost.

1.6 Earning per Shares

As the company has not undertaken any commercial activities during the year. The company has not prepared statement of profit and loss account for the year under review, Hence basic earnings per share are not disclosed in the statement of profit and loss account.

1.7 Consolidated Financial Statements

Company is wholly owned subsidiary of "STERLING GREENWOODS LIMITED" so disclosure as per As 21 has been given.

1.8 Impairment of Assets

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. As per the information and explanations given, that the company has not recognised impairment loss or identified during the reporting period.

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

1.10 Disclosure required under companies Act, 1956

1. Figures of previous year have been regrouped / rearranged / recast wherever necessary so as to comparable with current year's figures.
2. Directors Remuneration

Particulars	This Year (₹)	Last Year (₹)
Remuneration	Nil	Nil
Contribution to Superannuation Fund	Nil	Nil
Total	Nil	Nil

NOTES TO BALANCE SHEET

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 2 Share Capital		
Authorised : 70000 Equity Shares of ₹ 10/- Each	700,000	700,000
Issued 67500 Equity Shares of ₹ 10/- Each	675,000	675,000
Subscribed and fully paid up 67500 Equity Shares of ₹ 10/- Each	675,000	675,000

1.1 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March, 2012 No. of Shares	As at 31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	67,500	67,500
Add : Shares issued	0	0
Less : Shares cancelled	0	0
Equity : Shares at the end of the year	67,500	67,500

1.2 Terms attached to Equity Share

The Company has only one class of Equity Shares having a par value of Rs.10/- per share.

Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares would be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

1.3 The details of Shareholders holding more than 5% shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Sterling Greenwood Ltd.	64179	95.08%	64179	95.08%

1.4 As per the records of the Company including its Register of Shareholder/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represent both legal & beneficial ownership of the shares.

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 3 Reserve & Surplus		
(A) Revaluation Reserve		
Balance as per last year	1,330,205	1,330,205
LESS:- Transfer to P&L A/c.	0	0
Balance	1,330,205	1,330,205
(B) Surplus in the Statement of Profit & Loss		
As at Commencement of the Year	(280,309)	(280,309)
Add : Transferred from Profit & Loss Account	-	-
Balance	(280,309)	(280,309)
Less: Appropriations		
Balance	(280,309)	(280,309)
Net Surplus as per Statement of Profit & Loss -(B)	(280,309)	(280,309)
TOTAL RESERVES AND SURPLUS (A + B)	1,049,896	1,049,896

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note : 4 Long-Term Borrowings		
A) Secured Loans	-	-
B) Unsecured Loans		
Long Term Loans - Others		
a) From Directors	172,930	172,930
b) From Related Parties		
i) Holding Company Sterling Greenwood's Ltd.	2,992,239	2,830,421
ii) Inter-Corporate Deposits	172,881	172,881
	3,338,050	3,176,232
Note: : 5 Deferred Tax Liability		
	-	-
Note : 6 Other Long Term Liabilities		
Unsecured	-	-
Loans and Advances	-	-
b) From others	891,795	1,237,240
	891,795	1,237,240
Note : 7 Long Term Provisions		
Other Provisions	-	-
Note : 8 Short Term Borrowings		
A) Secured Loans		
B) Unsecured Loans	-	-
Note : 9 Trade Payable		
other payable	-	-
Note: 10 Other Current Liabilities		
	-	-
Note:11 Short-Term Provisions		
Other Provisions	27,972	5,500
	27,972	5,500
Note: 13 Non-Current Investments		
Long Term Investment	-	-
Note : 14 Long-Term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances		
i) To Related Parties	0	345,445
ii) Advance to Others	105,648	105,648
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
ADVANCE RECOVERABLE		
iii) Income tax & TDS	90,480	90,480
	196,128	541,573

NOTE :12 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	OP. BAL. AS ON 1/4/2011	ADDITION	DISPOSAL OR TRF TO STOCK	TOTAL AS ON 31/3/2012	OP. BAL. AS ON 1/4/2011	DEPRE. FOR THE YEAR	UPLIFT DEPRE. YEAR	DEDUCTION	TOTAL DEPRE. 31/3/2012	NET BLOCK 31/3/2012	NET BLOCK 31/3/2011
LAND	1574500	0	0	1574500	0	0	0	0	0	1574500	1574500
Leased land	101980	0	0	101980	0	0	0	0	0	101980	101980
Dead Stock	3566	0	0	3566	0	0	0	0	0	3566	3566
FURNITURE & Fixtures	29905	0	0	29905	0	0	0	0	0	29905	29905
Club kitchen Equipment	20341	0	0	20341	0	0	0	0	0	20341	20341
Club equipment	3820	0	0	3820	0	0	0	0	0	3820	3820
Vehicles	751	0	0	751	0	0	0	0	0	751	751
TOTAL	1734863	0	0	1734863	0	0	0	0	0	1734863	1734863
PREVIOUS YEAR	1734863	0	0	1734863	0	0	0	0	0	1734863	1734863

Particulars	31/03/2012 (Figures in ₹)	31/03/2011 (Figures in ₹)
Note: 15 Other Non Current Assets		
A) Secured Advances	0	0
B) Unsecured Advances-LONG TERM	0	0
Preliminary Expences (to the extent of not written off)	3,500	3,500
Preoprative Exp pending allocation.	3,983,223	3,798,932
Total	3,986,723	3,802,432
Note: 16 Current Investment		
Investment in Shares & Securities	-	-
	-	-
Note: 17 Inventories	-	-
	-	-
Note: 18 Trade Receivables		
Debtors outstanding for a period exceeding six months	55,000	55,000
Considered Doubtful	55,000	55,000
Note :19 Cash & Bank balances		
Cash in Hand	-	-
Balance with Nationalised Banks :		
In Current Accounts	10,000	10,000
	10,000	10,000
Note :- 20 Short Term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances	-	-
Note:- 21 Other Current Assets		
Other	-	-
	-	-

Note : 22– Related Party Disclosure

A. List Related Parties and Relations

- Holding Company - Sterling Greenwood Limited
- Key Management Personnel
 - Shri B. Kumar
 - Smt. Kusum B.Kumar
- List of Relatives of Key Managerial personal and enterprise over which key managerial personnel and their relatives excessive significant influence with whom transaction have taken place during the year
 - Greenwood Recreation Pvt.Ltd.
 - Sterling Developers
 - Sterling housing and construction pvt. Ltd.

B. Transactions with Related Parties :-

i) Transactions with Related Parties :-

Particulars	Holding Company		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Acceptance of loan	161817	81750	-----	-----	-----	-----

ii) Outstanding transactions with related parties

Particulars	Holding Company		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	
Loans taken	2992238	2830421	172930	172930	172881	172881
Loans and advances given	—	—	—	120944	—	224501
Long Term Liability	—	—	—	—	162363	507808

Note 23—Lease Rental

Operating Lease: -Lease Rental is expensed with reference to lease terms and other considerations.

Notes:-

The company has taken on lease N.A. Land at Mount Abu in Rajasthan. The total Lease rent paid on the same amounting to Rs. 90,000/- (P.Y. Rs. 90,000/-) is debited under the head Lease Rent, being project under Construction Period is grouped under Pre-operative Expenses. The minimum lease rentals payable in respect thereof are as follows:

- not later than one year	₹ 90,000/-
- later than one year and not later than five years	₹ 450,000/-
- later than five years	₹ 12,60,000/-

Lease payment recognised in pre-operative expenditure for the period.

The total yearly lease payment is	₹ 90,000/-
Minimum lease per annum	₹ 90,000/-

Note 24 : Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2012.

Note 25 : Till the year ended March 31 2011 the company was using pre revised schedule VI to The Companies act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the companies act 1956 has become applicable to the company. The company has reclassified previous year figure to conform to this year's classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

Signatures to the Schedule '1' to '25'

As per our separate report of even date attached

For, ANIL S. SHAH & CO.
Chartered Accountants

ANIL S. SHAH
(Partner)

Firm Reg. No. : 100474W
Member No. : 16613

FOR AND BEHALF OF BOARD OF DIRECTORS

B. KUMAR
Chairman
(sd/-)

KUSUM B. KUMAR
Director
(sd/-)

PLACE : AHMEDABAD
Date : 14/08/2012

PLACE : AHMEDABAD
Date : 14/08/2012

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 20th ANNUAL GENERAL MEETING of the Company held on Saturday, 29th September, 2012 at 11.30 AM at the Greenwood Lake Holiday Resort, Off Sardar Patel Ring Road, Nr. Sarkhej-Gandhinagar Highway, Nr. Vaishnodevi Circle, Ahmedabad

Signature of the shareholder / proxy present _____

PLEASE CUT HERE AND BRING THE ABOVE ATTENANCE SLIPI 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 Greenwood Ltd.

hereby appoint _____ of _____ failing him/her, _____

of _____ as my/our proxy to attend and vote for me/Our behalf at the 20th Annual General Meeting of the company to be held on Saturday, 29th September, 2012 at any adjournment thereof.

Signed this _____ day _____ 2012 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.

PAPER LESS COMPLIANCE OF CORPORATE GOVERNANCE - GREEN INITIATIVE OF MCA

Dear Shareholders,

This is to inform you that the Ministry of Corporate Affairs (MCA) has taken a Green Initiative and allowed the Corporates to send their Notices, Annual Reports, etc., in electronic form and it will be deemed to have complied with the provisions of Companies Act, 1956. Accordingly, your Company proposed to send the Notices, Annual Reports etc., for the financial year ended 31/03/2012 onwards in electronic form to the members of the Company.

Accordingly, you are requested to please register / update your e-mail id with your Depository Participant (in case of Demat holding) / Company or its Registrar (in case of physical holding).

We will also notify you the date of Annual General Meeting and the availability of the said documents by publishing the same in newspapers. However, if you wish to receive the said documents in physical form, kindly inform us accordingly.

Please also note that as a Member of the Company you are always entitled to request and receive, free of cost, a copy of Annual Report of the Company and other documents in accordance with the provisions of the Companies Act, 1956.

We look forward for your continued support to this unique initiative by the MCA and your Company's desire to participate in such initiatives.

Thanking you,

Yours faithfully,

For, Sterling Greenwood's Limited

(Managing Director)
Ankit Mathur
Sd/-

Note : Shareholders are requested to send a letter to register / update their e-mail id mentioning their folio number. Shareholders may also send scanned copy of the letter at the following id : sgwlr@yahoo.com

----- Slip -----

Name & Address of Shareholder :

Ledger Folio No. :

E-mail ID & Contact No. :

if undelivered please return to :

Sterling Greenwoods Ltd.

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

