

STERLING GREENWOODS LIMITED

18TH ANNUAL REPORT

2009-2010

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BOARD OF DIRECTORS :

- B. Kumar Chairman
- Anurag Agarwal Managing Director (Resign w.e.f. 31st March, 2010)
- Kusum B. Kumar Whole Time Director
- Meeta Mathur Whole Time Director
- Kunal Mathur Director
- Umang M. Vyas Director
- Ankit Mathur Director
- Jitendra Vyas Nominee Director
- P.V.R.N Iyer Director

AUDITORS : **M/S. BAHETI BHADADA & ASSOCIATES**

Chartered Accountants
201, Shaily Complex,
Nr.Old Guj. High Court,
Ashram Road,
Ahmedabad-380009

BANKERS :

- Axis Bank Ltd.
- The Ahmedabad Dist. Co.-op. Bank
- Central Bank of India
- Bank of India
- Bank of Baroda
- ICICI Banking Corporation Ltd.
- Indusind Bank
- HDFC Bank Ltd.
- Rajkot Nagrik Sahakari Bank Ltd.
- State Bank of India

REGISTERED OFFICE :

Sterling Greenwoods Limited
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 East,
Mumbai – 400 072

Notice

Notice is hereby given that the **18TH ANNUAL GENERAL MEETING** of the members of **STERLING GREENWOODS LIMITED** will be held on 27TH Day of September 2010 on Monday at the company's Greenwood Lake Holiday Resort, Chharodi Farm Complex, off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad at 11.30 A.M to transact the following business:

- **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet for the year ended **31st March, 2010** and the Profit and Loss Account as at that date and the reports of the Director's and the Auditors thereon.
2. To appoint a director **Smt. Kusum B. Kumar** who retires by rotation and being eligible, offers himself for re-appointment that has been appointed by the Board.
3. To appoint a director **Shree Kunal Mathur** who retires by rotation and being eligible, offers himself for re-appointment that has been appointed by the Board.
4. To appoint statutory Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

- **SPECIAL BUSINESS**

To Consider and if thought fit to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said act the concern to the company be and is here by accorded to the appointment of Shree Ankit K. Mathur as the Managing Director of the Company for a period of five years with effect from 1st October, 2010 to 30th September, 2015 on the remuneration and other terms and Condition as set out in the draft agreement submitted to this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and /or remuneration so not exceed the limit specified in Schedule XIII of the Companies Act, 1956."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take such step as may be necessary proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD

Place: Ahmedabad
Date : 31/05/2010

(B.Kumar)
Chairman

NOTES:

1. A Member entitled to attend and to vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself/herself and such proxy need not be a member of the company. The instrument appointing a proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The members are requested to:
 - i. Intimate change, if any, in their registered address at an early date.
 - ii. Bring their copies of Annual Report and Attendance Slip with them at the Annual General Meeting.
3. As per the provisions of the Companies act, 1956, shareholders are now entitled to make nomination in respect of shares held by them. Shareholders desirous of making nomination are requested to send their request in Form No.2B in duplicate to the company.
4. The Equity Shares of the Company are listed at The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The Company has paid annual Listing Fees to the Stock Exchange.
5. The members are advised to submit their share certificate to, Register and Share transfer agent of the company for purpose of transfer.
6. Information under clause 49VI A of the Listing Agreements regarding re-appointment of Smt. Kusum B. Kumar & Shree Kunal Mathur.

⇒ **Smt. Kusum B. Kumar**

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

⇒ **Shree Kunal Mathur**

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

DIRECTORS' REPORT

To
The Members

Your Directors have great pleasure in presenting the 18th ANNUAL REPORT and the Audited Statement of Accounts of the Company for the year ended on 31st March, 2010

★ **FINANCIAL RESULTS:-**

(Figures in lacs)

Particulars	Amount for 2009-10 (Rs.)	Amount for 2008-09 (Rs.)
Total Revenue Receipts	764.98	951.05
Total Expenditure	652.73	(884.00)
Profit Before Depreciation, Non Cash Expenses & Tax	112.25	67.05
Less: Depreciation & Other Non Cash Expenses	(38.07)	(38.28)
Profit Before Tax	74.18	28.77
Less: Provision for Taxes	(19.52)	(2.87)
Excess/Short Provision for Tax	----	6.86
Add: Deferred Tax Asset	----	---
Profit After Tax	54.66	32.76
Add: Balance Brought Forward from Previous Year	317.63	284.87
Add: Reserve & Surplus of Transferee Company	N.A	N.A
Balance Carried to Balance Sheet	<u>372.29</u>	<u>317.63</u>

★ **PERFORMANCE REVIEW :-**

The turn over of the company has reduced from **Rs.947.6 lacs** to **Rs.758.58 lacs** showing a reduction of 20% in revenue of company (revenue from resort business has increased from **Rs.245.37 lacs** to **Rs.316.04 lacs** and there is a reduction in revenue of real estate business) compared to last year. The turnover of company has shown reduction in real estate business due to board's policy to go consciously and that has resulted in higher profits even though there is a reduction in turnover. The net profit of the company has shown an upward trend from **Rs.28.77** lakhs of last year to **Rs. 74.18 lacs** this year. Your directors expect to perform better in the coming years.

★ **DIVIDEND:-**

To strike a balance between the need to sustain investments for prospective growth your Directors are not recommending dividend for the year. Even though, Net profit of the company has increased this year, your directors consider need to plough back current year earnings to meet the Company's future plans. Therefore, your directors do not recommend any dividend in the current year.

Directors' Report

★ **DEPOSITS:-**

The company has not accepted any deposit from public within the meaning of Section 58-A of the Companies Act, 1956 and Rules made there under.

★ **PARTICULARS OF EMPLOYEES :-**

There were no employees whose remuneration were in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

★ **DIRECTORS:-**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association the Company, Smt. Kusum B. Kumar and Shree Kunal Mathur directors of the Company, who retire by rotation and being eligible, offer themselves for re-appointment.

★ **AUDITORS:-**

M/s. Baheti Bhadada & Associates, auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The company has received a letter from them to the effect that their appointment as auditors, if made, would be within the limits under section 224(1B) of the Companies Act, 1956.

★ **CONSERVATION OF ENERGY :-**

The company has no activity relating to conservation of energy.

★ **TECHNOLOGY ABSORPTION:-**

The company is not engaged in such business so as to undertake any Technology Absorption. However to save the power it has installed Solar Water Heating Systems at its Resort.

★ **FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

- Foreign Exchange earnings - Rs. NIL
- Foreign Exchange outgo - Rs. NIL

★ **AUDITOR'S OBSERVATIONS :-**

The observations contained in the Auditor's Report are self-explanatory and, therefore, no comments are called for separately.

★ **CORPORATE GOVERNANCE:-**

As per clause 49 of the Listing Agreement, a separate Report on Corporate Governance together with Management Discussion and Analysis and certificate from Company's Auditors is annexed and forms part of this report.

Directors' Report

★ **DIRECTORS' RESPONSIBILITY STATEMENT :-**

Pursuant to section 217(2AA) of the Companies Amendment Act, 2000 it is hereby Confirm that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed.
- b. Appropriate Accounting Policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and of the Profit of the company for the year ended on that date.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The accounts for the financial year ended 31st March, 2010 have been prepared on a going concern basis.

★ **INSURANCE :-**

The current assets and fixed assets of the company are adequately insured against all types of risks.

★ **ACKNOWLEDGEMENT:-**

Your directors acknowledge with gratitude, the patronage of its esteemed customers, the strength it derives from its employees at all levels, the support from its Bankers and the loyalty of the large family of the company's customers, suppliers and shareholders.

BY ORDER OF THE BOARD

**Place: Ahmedabad
Date: 31/5/2010**

**(B.Kumar)
Chairman**

Corporate Governance

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

Our Governance philosophy

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

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

- ♦ **Stakeholders' interests**

To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

Governance practices beyond regulatory requirements

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

1. Values and commitments

We have set out and adopted policy documents on 'values and commitments' of the Company. We believe that any business conduct can be ethical only when it rests on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

2. Code of Ethics

Our policy document on 'code of ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage.

3. Business policies

Our 'business policies' contains the policy on fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety & environment and quality.

4. Separation of the Board's supervisory role from the executive management

In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management and splitting the posts of chairman and MD.

5. Prohibition of insider trading policy

This document contains the policy on prohibiting trading in the equity shares of the Company, based on inside or privileged information.

6. Prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

7. Whistle blower policy

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

8. Risk management

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

I. Boardroom practices

i. Board charter

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

ii. Tenure of independent directors

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

iii. Director's interaction with shareholders

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

iv. Meeting of independent directors with operating team

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

v. Commitment of directors

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

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

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

Compliance with clause 49 of the listing agreement

Sterling Greenwoods Limited is fully compliant with the mandatory requirements of clause 49 of the listing agreement formulated by Securities and Exchange Board of India (SEBI). We present our report on compliance of governance conditions specified in clause 49.

Corporate Governance

I. Board of directors

1. Board composition - Board strength and representation

As at March 31, 2010, the board consisted of nine members. The composition of and the category of directors on the board of the company were as under:

Category and Particulars of Director

Promoter & Executive Director:-

1. Mr.B.Kumar (Chairman)
2. Mrs. Kusum B. Kumar (W.T.D)
3. Mrs Meeta Mathur (W.T.D)
4. Mr. Ankit Mathur (Director)
5. Mr. Anurag Agarwal (Mg. Director)
(Resign w.e.f. 31st March, 2010)
6. Mr. Umang Vyas (Executive Director)

Promoter & Non Executive Director: - NIL

Independent & Non Executive Directors: -

1. Mr. Kunal Mathur (Non-Executive Director)
2. Mr. P.V. Iyer (Non-Executive Director)

Nominee Director - Mr. Jitendra Vyas

2. Conduct of board proceedings

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

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

- ♦ Review, monitor and approve major financial and business strategies and corporate actions.
- ♦ Assess critical risks facing the company their mitigation.
- ♦ Provide counsel on the selection, evaluation, development and compensation of senior management.
- ♦ ensure that processes are in place for maintaining the integrity of
- ♦

- the company
- the financial statements
- compliance with law
- relationships with all the stakeholders
- Delegation of appropriate authority to the senior executives of the company or effective management of operations.

3. Board meetings

Eleven Board Meetings were held during the year. They were held on 29th May 2009,31st July 2009,12th September 2009,31st October 2009, 10th December 2009,14TH December 2009,18th December 2009, 27TH January 2010, 30th January 2010,19th February 2010, 30th March 2010

4. Attendance of directors at the Board Meetings held during 2009-10 and the last Annual General Meeting (AGM)

Directors	Meetings In year	Meetings Attended	AGM
Mr.B.Kumar	11	11	Yes
Shri Anurag Agarwal	11	11	Yes
Smt Kusum Kumar	11	09	Yes
Smt Meeta Mathur	11	05	No
Shri Umang Vyas	11	11	Yes
Shri Kunal Mathur	11	05	No
Shri Ankit Mathur	11	11	Yes
Shri Jitendra Vyas	11	04	No
Shri P.V.R.N. Iyer	11	04	No

Notes:

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

5. Other directorships

None of the directors holds directorships in more than 15 public limited companies.

The details of directorships (excluding private limited, foreign company and companies under section 25 of the Companies Act, 1956), Chairmanships and the Committee memberships held by the directors as on March 31, 2010

Name of Directors	Number of other Membership/ Directorship
Mr.B. Kumar	3
Shri Anurag Agarwal	2
Smt. Kusum Kumar	3
Smt. Meeta Mathur	1
Shri Umang Vyas	Nil
Shri Kunal Mathur	Nil
Shri Ankit Mathur	Nil
Shri Jitendra Vyas	Nil
Shri P.V.R.N. Iyer	1

Notes:

1. The information provided above pertains to the following committees in accordance with the provisions of clause 49 of the listing agreement:

- a. Audit committee
- b. Shareholders / investors' grievances committee
- c. Membership of committees includes chairmanship, if any.

6. Membership of board committees

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

7. Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

♦ **Shree B.Kumar**

He is Chairman of the company and looking after matters of the Lake & Resort development of the company. Mr. B. Kumar promoted the Company and a talented civil engineer. He was having an experience of 48 years in the field of construction and real estate. He is also Director of the other group companies: - Sterling Resort Private Limited, Greenwood Recreation Private Limited & Greenwoods Organisers and Engineers Private Limited.

♦ **Shree Anurag Agarwal**

He is the Managing Director of the Company and having wide experience of Exports of textile goods and more than 21 years of experience in the field of Land Development and like fields. He was looking after the Land

Business and overall Financial matters of the Company .He is also Director of the other group Companies:-Greenwood Organizers and Engineers Private Limited & Paksh Developers Private Limited. He has resigned the Company w.e.f. 31st March, 2010.

♦ **Smt. Kusum B. Kumar**

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

♦ **Smt. Meeta Mathur**

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

♦ **Shree Kunal Mathur**

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

♦ **Shree Ankit Mathur**

He is Bachelor of Science in Electrical Engineering from University from California, Irvine, United States and also pursuing MBA from Nirma University. After completing his education he has joined the family business. He was having an experience of 3 years in the field of construction and real estate and Resort Business.

♦ **Shree Umang Vyas**

He is the Director of the Company and full-time working with the company since last 17 years. He is looking after real estate business. He was having an experience of 29 years in the field of construction and real estate.

♦ **Shree Jitendra Vyas**

He is the Nominee Director in the Company. He is having more than 26 years of experience in the banking sector and He is the manager in the Rajkot Nagrik Co. op. Bank Ltd.

♦ **Shree P.V. Iyer**

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

8. Insurance coverage

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

II. Audit Committee:

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

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

1. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
2. Recommending the appointment, reappointment and replacement/removal of statutory auditors and fixation of audit fee.
3. Approve payment for any other services by statutory auditors.

4. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;

- a. Matters required being included in the directors' responsibility statement included in the report of the board of directors.
- b. Any changes in accounting policies and practices.
- c. Major accounting entries based on exercise of judgment by management.
- d. Qualifications in draft statutory audit report.
- e. Significant adjustments arising out of audit.
- f. Compliance with listing and other legal requirements concerning financial statements.
- g. Any related party transactions.

5. Reviewing with the management the quarterly financial statements before submission to the board for approval.

6. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.

7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and Seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up thereon.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

10. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

13. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

14. Review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Internal audit reports relating to internal control weaknesses;
- Management letters / letters of internal control weaknesses issued by statutory / internal auditors;
- Statement of significant related party transactions; and
- The appointment, removal and terms of remuneration of the auditor shall be subject to review by the Audit Committee.

The Audit Committee has the following powers:

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

Attendance at the meetings of the Audit committee held during year 2009-10

Directors	Meetings In year	Meetings Attended
B.Kumar	4	4
Umang Vyas	4	4

The Audit Committee held meetings on 23rd June 2009, 30th July, 2009, 31st October 2009, and 30th January 2010. The meetings are regularly held at the end of each quarter.

III. Nomination / Remuneration Committee

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

(a) Process for selection and appointment of new directors and succession plans; and

(b) A compensation structure for the members of the board. Shri B.Kumar is the Chairman of the Committee and the other members are Mr. Anurag Agarwal and Mr. Umang Vyas. The Company currently has six executive Directors.

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

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

Total remuneration paid to Directors of the Company during the year ended March 31, 2010 is Rs.39.62 Lacs

Notes:

a. The company has not entered into any other pecuniary relationship or transactions with the non-executive directors.

b. The company has so far not issued any stock options to its directors.

Equity shares held by directors:

Particulars of Equity Shares held by the director as on 31 March 2010 is as follows

Name of Directors	Equity Shares Held
Shri B. Kumar	784528
Shri Anurag Agarwal	697204
Smt. Kusum B. Kumar	1111375
Smt. Meeta Mathur	60500

Directors' remuneration policy:

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

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

IV. Shareholders/investors' grievances committee:

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

- A) Shri Umang Vyas
- B) P.V Iyer

Particulars of investors' complaints received is as follows

Particulars	Queries Received	Queries Solved
Transfer of Shares	Nil	Nil
Non-receipts of Annual Report	Nil	Nil
Non-receipt of Dividend warrants	Nil	Nil
Pending Share Transfers	Nil	Nil

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

Directors	Meetings In year	Meetings Attended
Shri Umang Vyas	4	4
P. V. Iyer	4	4

The meetings are held on 30th June 2009, 30th September 2009, 31st December 2009 and

31 March 2010. The meetings are regularly held at end of each three months.

V. General Body Meetings:

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

- For 2008-09 at The Greenwood Lake Holiday Resort, Chharodi Farm Complex, Sarkhej Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad, on Friday 18th August 2009 at 11:30 A.M.
- For 2007-08 at The Greenwood Lake Holiday Resort, Chharodi Farm Complex, Sarkhej Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad, on Friday 19th September 2008 at 11:00 A.M.
- For 2006-07 at The Greenwood Lake Holiday Resort, Chharodi Farm Complex, Sarkhej Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad, on Saturday 29th September, 2007 at 11:00A.M.

VI. Means of communication

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

VII. General Shareholders Information

1. Annual General Meeting : 27th September, 2010
2. Date, Time and Venue : 11:30 A.M.
3. Location : Greenwood Lake Holiday Resort,
Chharodi Farm Complex,
Chharodi, Ahmedabad
4. Financial Calendar
 - Results for First quarter : On or before
Ended on 30th June, 2010 31st July, 2010
 - Results for second quarter : On or before
Ended on 30th Sept. 2010 31st Oct., 2010
 - Results for third quarter : On or before
Ended on 31st Dec. , 2010 31st Jan., 2011
 - Results for Financial Year : On or before
Ending on March, 2011 30th June, 2011
5. Date of Book Closure : 18th September, 2010 to 27th September, 2010
6. Registered Office & Shares Department: "Sunrise" Centre, Opp. Indraprasth
Tower, Drive-in-Cinema Raod,
Ahmedabad
7. Registrar and Share Transfer Agent : SHAREPRO SERVICES (INDIA) PVT LTD,
13 AB Samitha Warehousing Complex,
Sakinaka Telephone Lane,
Sakinaka, Andheri East,
Mumbai-400 072
Phone No - 67720300/67720400
Fax No.: 022—28591568
E-mail: sharepro@shareproservices.com
8. Investor Service Centre: "Sunrise" Centre, Opp. Indraprasth
Tower, Drive-in-Cinema Raod,
Ahmedabad
Phone No.: (079)26851680.26850935
Fax No.: (079)26854773
E-mail: sgwlr@yahoo.com
9. Plant Location : Not Applicable
10. Listing on Stock Exchanges : Bombay Stock Exchanges Limited
11. Stock Code : 526500
12. Demat ISIN in NSDL & CDSL : INE00398F01019

13. Market Price Data during 2009-2010

Month	Share Price (High)	Share Price (Low)
April	21.92	13.13
May	25.25	16.05
June	44.65	18.70
July	66.00	44.00
August	45.00	23.40
September	43.85	27.40
October	30.60	20.35
November	40.15	19.00
December	42.40	22.50
January	24.60	20.20
February	21.80	15.60
March	18.60	13.60

14. Distribution of Share Holding on 31st March, 2010

Distribution of Shares (Slab wise)	No. of Shareholders	Percentage to total no. of shareholders	No. of Shares held	Percentage to total share capital
Upto 500	2495	84.26	427507	10.08
501-1000	239	8.07	206934	4.88
1001-2000	122	4.12	190797	4.50
2001-3000	33	1.11	84710	2.00
3001-4000	13	0.44	47503	1.12
4001-5000	12	0.41	57340	1.35
5001-10000	17	0.57	119302	2.81
10000 & More	30	1.01	3105595	73.25
Total	2961	100	4239688	100.00

Share Transfer System:

The Company has appointed Pinnacle Shares Registry Private Limited for Demat and Physical Shares. Share transfer requests received in physical form are registered within 15 days from the date of receipts and Demat request are normally confirmed within an average of 21 days from the date of receipt.

Dematerialization of Shares:

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

As on 31st March, 2009 out of 4239688 fully paid up equity shares of Rs.10/- each listed

with the stock Exchanges 3128588 has been demated.

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

VIII. Compliance with other mandatory requirements

1. Management discussion and analysis

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

2. Subsidiaries

The company do not have any subsidiary company as per clause 49 (III) of the listing agreement.

3. Disclosures

a. Related party transactions

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

b. No Penalty or strictures

No penalty or stricture has been imposed on the company by the stock exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

c. Disclosure of accounting treatment

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

d. Disclosures on risk management

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

f. Code of conduct

The Company adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the board and senior

management .The board members and senior management have affirmed their compliance with the code and a declaration signed by the Shree B.Kumar Chairman of the Company appointed is given below:

"It is hereby declared that the company has obtained from all members of the board and senior management affirmation that they have complied with the code of conduct for directors and senior management of the company for the year 2009-10."

B.Kumar
Chairman

g. Review of directors' responsibility statement

The board in its report has confirmed that the annual accounts for the year ended March 31, 2010 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

VII. Compliance with non-mandatory requirements

1. Remuneration Committee

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

2. Shareholder rights

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

3 Audit qualifications

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

4. Whistle blower policy

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

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

VII. General shareholder information

The mandatory as also various additional information of interest to investors is voluntarily furnished in a separate section on investor information elsewhere in this report.



**BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS
201, SHAILY COMPLEX,
B/H OLD GUJARAT HIGH COURT,
ASHRAM ROAD, AHMEDABAD-380009**

AUDITOR'S 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 **31 March 2010** 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.

**For Baheti Bhadada & Associates
(Chartered Accountants)**

**Date: 31/05/2010
Place: Ahmedabad**

**B. K. Baheti
(Partner)**



AUDITOR'S REPORT

To,
The Members of
STERLING GREENWOODS LIMITED

We have audited the attached Balance-Sheet of **STERLING GREENWOODS LIMITED** as on 31/03/2010, related 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 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 Profit & Loss Account are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - (vi) being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;

(vii) 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 :

(a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010.

(b) In the case 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, BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE: AHMEDABAD

DATE: 31/05/2010

**(B. K. BAHETI)
PARTNER**

ANNEXURE TO THE AUDITOR'S REPORT

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

I. Fixed Assets: -

(a) The Company has maintained proper records to showing full particulars including quantitative details and situation of fixed assets.

The management has physically verified all the fixed assets at the year end. No material discrepancies have been 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 finished goods, stores and spares have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of stock records, in our opinion the stock records, in our opinion the company is maintaining proper records of stock. No material discrepancies have been noticed on physical verification of stocks as compared to book records.

III. (a) According to information and explanations given to us, the company has not granted interest free unsecured loans payable on demand covered in the register maintained under section 301 of the Companies Act, 1956.

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

Nos of Parties	Amount
Taken or Accepted in year	Rs. 1,02,49,136/-
Repaid During the year	Rs. 57,20,569/-
Closing Balance	Rs. 1,52,57,525/-

(ii) 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.

(ii) As per the information and explanation given to us, the Company is regularly receiving 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 fixed assets and for the sale of 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 no transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- (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 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VII. The Company has not accepted deposits from the public within the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- VIII. In our opinion, the Company has an internal audit 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, there were undisputed amounts payable in respect of Income-Tax, & Service Tax as follows:
- (a) Service Tax Demand disputed and pending with Appellate Tribunal:-
- Against Resort & Hotel Business: Rs.23,03,073/-
Service Tax Penalty Disputed and pending with Appellate Tribunal: -
- Against Real Estate Business: Rs. 34,10,080/-
- Against Resort & Hotel Business: Rs.23,03,073/-
- (b) Income Tax Liabilities (For the Asst. Year 1995-96) of which appeal by Income Tax Department is pending before the Income Tax Appellate Tribunal against the demand reduced by the C.I.T. Company is contingently liable for the amounting of Rs.92,61,016/-. Company has not made the provisions for the above nor it has provided demand of interest U/s. 220 amounting of Rs.2,00,000 paid during the year accounted with Advance Income Tax.

Further the Company has no undisputed amounts payable in respect of Wealth-Tax, Customs Duty and Excise Duty which have remained outstanding as on 31st March, 2010 for a period of more than six months from the date they became payable.

- XI. The Company has no accumulated losses during the year and it has not incurred cash losses during the year or financial year immediately proceeding.
- XII. 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.

- XIII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIV. 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.
- XV. The Company is not dealing or trading in shares, securities, debentures and other investments.
- XVI. The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
- XVII. The Company has not obtained any term loan during the year.
- XVIII. 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.
- XIX. 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.
- XX. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- XXI. The Company has not raised any money by public issue during the year.
- XXII. 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, BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD
DATE: 31/05/2010**

**(B. K. BAHETI)
PARTNER.**

STERLING GREENWOODS LIMITED.
BALANCE SHEET AS AT 31ST MARCH 2010

SR NO	PARTICULARS	SCH.	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009	AS AT 31.03.2009
I	SOURCES OF FUNDS					
A.	SHARE HOLDERS FUNDS :					
	(i) Share Capital	1	42,396,880		42,396,880	
	(ii) Reserves & Surplus	2	183,545,966		178,344,630	
				225,942,846		220,741,510
B.	LOAN FUNDS :					
	(i) Secured Loans	3	18,888,901		21,425,642	
	(ii) Unsecured Loans	4	68,757,427		101,237,274	
				87,646,328		122,662,916
	TOTAL			313,589,174		343,404,426
II	APPLICATION OF FUNDS					
A.	FIXED ASSETS :					
	(i) Gross Block	5	280,261,793		284,131,113	
	(ii) Less Depreciation		33,746,878		29,970,420	
	(iii) Net Block			246,514,915		254,160,693
	Capital Work in Progress			433,096		8,326,683
B.	INVESTMENTS :	6		7,748,869		7,748,869
C.	CURRENT ASSETS, LOANS & ADVANCES					
	(1) CURRENT ASSETS :					
	(i) Inventory	7	3,277,177		12,908,458	
	(ii) Sundry Debtors	8	25,431,628		47,606,532	
	(iii) Cash & Bank Balances	9	20,546,090		1,427,082	
	(2) LOANS AND ADVANCES :	10	39,085,210		51,969,219	
	TOTAL CURRENT ASSETS		88,340,105		113,911,291	
	(3) LESS : CURRENT LIABILITIES & PROVI	11	29,447,811		40,743,110	
	NET CURRENT ASSETS			58,892,294		73,168,181
	TOTAL			313,589,174		343,404,426
	Significant Accounting Policies & Notes on Accounts	21				

As per our Separate report of even date attached.

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

B. KUMAR
CHAIRMAN

(B. K. BAHETI)
PARTNER

KUSUM B. KUMAR
DIRECTOR

ANKIT MATHUR
DIRECTOR

PLACE : AHMEDABAD
DATE : 31/05/2010

PLACE : AHMEDABAD
DATE : 31/05/2010

STERLING GREENWOODS LIMITED.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AT 31.03.2010

SR NO.	PARTICULARS	SCH. NO.	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2009
	INCOME :					
	Income From Sales & Operations	12		75,858,377		94,760,381
	Other Income	13		640,082		345,009
				76,498,459		95,105,390
	EXPENDITURE :					
	Land Consumed	14		19,027,602		41,886,873
	Land Schemes Development & Maintenance	15		2,134,077		1,800,193
	GWLR Operations	16		19,064,575		19,923,933
	Salaries, Wages & other employee Benefits	17		5,931,069		2,513,106
	Managerial Remuneration			3,962,000		6,334,000
	Administrative Expenses	18		6,744,711		5,654,714
	Selling Expenses	19		808,190		3,158,056
	Interest & Finance Charges	20		7,601,015		7,054,228
	Depreciation	5	4,071,884		4,092,408	
	Less :Trans. to Revaluation Reserve		264,853		264,853	
				3,807,031		3,827,555
	Loss on Sale of Assets			-		-
	Donation			-		74,908
				69,080,270		92,227,566
	PROFIT/LOSS BEFORE TAXATION			7,418,189		2,877,824
	Less : Provision for Taxation			1,952,000		283,189
	Less : FBT PAID/ Provision			-		4,350
	Less : Short Provision of I. Tax			-		4,577
	Add : Excess Provision w/back			-		690,645
	PROFIT/LOSS AFTER TAXATION			5,466,189		3,276,353
	ADD : Surplus Brought Forward from previous year			31,762,914		28,486,561
	BALANCE AVAILABLE FOR APPROPRIATION			37,229,103		31,762,914
	weighted Average of shares			4,239,688		4,239,688
	Earing per share			1.29		0.77
	Significant Accounting Policies Notes on Account	21				

As per our Separate report of even date attached.

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

B.KUMAR
CHAIRMAN

(B. K. BAHETI)
PARTNER

KUSUM B. KUMAR
DIRECTOR

ANKIT MATHUR
DIRECTOR

PLACE : AHMEDABAD
DATE : 31/05/2010

PLACE : AHMEDABAD
DATE : 31/05/2010

STERLING GREENWOODS LIMITED.

SCHEDULES FORMING PART OF THE ACCOUNTS

SR. NO.	PARTICULARS		AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009	AS AT 31.03.2009
	<u>SCHEDULE : 1 :</u>					
	<u>SHARE CAPITAL :</u>					
	Authorised : 50,00,000 Equity Shares of Rs. 10/- Each			50,000,000		50,000,000
	Issued 4322788 Equity Shares of Rs. 10/- Each					
	Subscribed 4239688 Equity Shares of Rs. 10 /- Each		42,396,880		42,396,880	
	(Out of 4239688 Shares, 1722788 Shares of Rs. 10/- each were allotted as fully paid up in lieu of share holding in M/S Sterling Enterprises in terms of clause V of Memorandum of Association without payment being received in cash.)			42,396,880		42,396,880
				42,396,880		42,396,880
	<u>SCHEDULE : 2 :</u>					
	<u>RESERVES AND SURPLUS :</u>					
	REVALUATION RESERVE					
	Balance as per last year		146,118,636		146,383,489	
	LESS:- Transfer to P&L A/c.		264,853		264,853	
				145,853,783		146,118,636
	FORFIETED EQUITY SHARES (76,000 Forfeitted Equity Shares)			463,080		463,080
	PROFIT & LOSS ACCOUNT			37,229,103		31,762,914
				183,545,966		178,344,630

STERLING GREENWOODS LIMITED.

SR. NO.	PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009	AS AT 31.03.2009
	<u>SCHEDULE : 3 :</u>				
	<u>SECURED LOANS :</u>				
	(A) Term Loan Notes From Banks 1		18,888,901		20,595,051
	(c) FD OD A/c.		-		830,591
	TOTAL		18,888,901		21,425,642
	NOTES :				
	1. Secured by way of first charge of equitable mortgage of the immovable properties of the company and additionally guaranted by personal guarantee of Four directors.				
	<u>SCHEDULE : 4 :</u>				
	<u>UNSECURED LOANS :</u>				
	Deposit from Directors		8,900,312		4,492,540
	Deposit From Others		10,331,100		6,116,418
	Deposit & advances from society		37,622,390		76,248,925
	Development & Maintenance		951,906		530,748
	Deposit from GWLR scheme members		10,233,854		10,545,094
	Other Bank Loan		717,865		3,303,549
	TOTAL		68,757,427		101,237,274
	<u>SCHEDULE : 6 :</u>				
	INVESTMENTS (Nontrade, Unquoted at cost)				
	64179 Equity shares of Sterling Resorts Pvt. Ltd. face value Rs. 10 each fully paid.		7,123,869		7,123,869
	10000 Shares of Rajkot Nagrik Sahakari Bank Ltd. of Rs. 25/- each fully paid up.		625,000		625,000
	TOTAL		7,748,869		7,748,869

STERLING GREENWOODS LIMITED

SCHEDULE : 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK						DEPRECIATION					NET BLOCK	
	ASSETS	OP. BAL AS ON 01/04/2009	ADD MORE THAN 180 DAYS	ADD LESS THAN 180 DAYS	UPLIFT	DISPOSAL OR TRF TO STOCK	TOTAL AS ON 31/03/2010	OP. BAL AS ON 01/04/2009	DEPR.. DURING YEAR	UPLIFT DEPR. YEAR	DEDUCTIO	TOTAL DEP. 31/03/2010	NET BLOCK 31/03/2010
LAND	87460715	0	0	61673254	4176800	83283915	0	0	0	0	0	83283915	87460715
BUILDING	142457480	0	0	87848628	0	142457480	13598920	2078553	264853	0	15677473	126780007	128858560
PLANT & MACHINERY	27260601	519764	401801	0	8400	28173766	9060876	993654	0	0	10054530	18119235	18199725
VEHICLE	5941607	0	327000	0	932678	5335929	2061736	319318	0	295426	2085629	3250300	3879871
FURNITURE	20964908	0	0	0	0	20964908	5248887	680359	0	0	5929246	15035662	15716021
LIVESTOCK	45801	0	0	0	0	45801	0	0	0	0	0	45801	45801
TOTAL	284131112	519764	728801	149521882	5117878	280261799	29970419	4071884	264853	295426	33746878	246514915	254160693
CAPITAL W.I.P.(VICHHYA)	8175528	1426298	362394		9964220	0	0	0	0	0	0	0	8175528
CAPITAL W.I.P.(THOL)	151155	0	0	0	151155	0	0	0	0	0	0	0	151155
CAPITAL W.I.P.(RETHAL)	0	433096	0	0	0	433096	0	0	0	0	0	433096	0
TOTAL	8326683	1859394	362394	0	10115375	433096	0	0	0	0	0	433096	8326683
GRAND TOTAL	292457795	2379158	1091195	149521882	15233253	280694895	29970419	4071884	264853	295426	33746878	246948011	262487376
PREVIOUS YEAR	275348126	10590235	6519434	149521882	0	292457795	25878012	4092408	264853	0	29970420	262487375	246144556

STERLING GREENWOODS LIMITED.

SR. NO.	PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009	AS AT 31.03.2009
	<u>SCHEDULE : 7 :</u>				
	INVENTORIES (As Taken,Valued & Certified by the Managing Director)				
	- GWLR Stock		149,677		158,208
	- Land Stock		3,127,500		12,750,250
	TOTAL		3,277,177		12,908,458
	<u>SCHEDULE : 8 :</u>				
	<u>SUNDRY DEBTORS :</u>				
	1. (a) Outstanding over Six Months	25,381,104		47,606,532	
	(b) others	50,524		-	
	Sub-Total		25,431,628		47,606,532
	TOTAL		25,431,628		47,606,532
	<u>SCHEDULE : 9 :</u>				
	<u>CASH & BANK BALANCES :</u>				
	Cash on hand		207,170		96,182
	(i) Balances with Scheduled Banks in Current A/c		18,931,562		873,464
	(ii) Balances with Non Scheduled Banks in Current A/c		190,137		457,436
	(iii) Bank FDR		1,217,221		-
	TOTAL		20,546,090		1,427,082
	<u>SCHEDULE : 10 :</u>				
	<u>LOANS & ADVANCES :</u>				
	(a) Advances Recoverable in cash or in kind or for value to be received		176,703		858,997
	(b) Advances to Suppliers		106,708		-
	(c) Advances to Others		33,656,849		46,176,152
	(d) Advances to Staff		86,412		241,066
	(e) Advance Income Tax		4,883,837		3,518,331
	(f) TDS Receivables		137,466		-
	(f) Sundry Deposits		37,235		1,174,673
	TOTAL		39,085,210		51,969,219

STERLING GREENWOODS LIMITED.

SR. NO.	PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009	AS AT 31.03.2009
	<u>SCHEDULE : 11 :</u>				
	<u>CURRENT LIABILITIES & PROVISIONS :</u>				
	CURRENT LIABILITIES				
	1. Sundry Creditors for Goods & Expenses		6,214,857		4,885,090
	2. Duties & Taxes		1,216,116		1,626,531
	3. Advances from Customers		897,764		5,765,502
	4. Other liabilities		5,347,323		6,018,614
	5. OD Limit with Axis Bank Ltd. (Note-1)		13,246,885		21,611,483
	Sub TOTAL		26,922,945		39,907,220
	Note:				
	1. Secured by way of first charge of equitable mortgage of the immovable properties of the company, material and additionally guaranteed by personal guarantee of Four directors.				
	PROVISIONS				
	Provision For Taxation		1,952,000		283,189
	Others		572,866		552,701
	Sub TOTAL		2,524,866		835,890
	TOTAL		29,447,811		40,743,110
	<u>SCHEDULE : 12 :</u>				
	<u>INCOME FROM SALES & OPERATIONS :</u>				
	Resort Membership & Misc. Sales		973,285		629,455
	Resort Operation and Room Occupancy		30,630,391		23,907,925
	Income from Room Tariff	15,617,494		12,231,723	
	Food & Bewarage sales	13,224,105		10,416,290	
	Misc. Sales at Resort	1,788,792		1,259,912	
	Income from Sale/Resale of Land		43,069,150		63,346,897
	Land Scheme Developments Income		1,158,589		3,197,792
	Land Scheme - Maintenance Income		26,962		3,678,312
	TOTAL		75,858,377		94,760,381

STERLING GREENWOODS LIMITED.

SR. NO.	PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2009
	<u>SCHEDULE : 13 :</u>				
	<u>OTHER INCOME :</u>				
	Interest Income		117,164		162,986
	Miscellaneous Income		366,912		182,023
	Dividend Income		156,006		-
	TOTAL		640,082		345,009
	<u>SCHEDULE : 14 :</u>				
	Land Consumed				
	Opening Stock	12,750,250		31,545,700	
	Land Purchased	11,368,212		23,091,423	
	Land Transferred	1,963,360			
			22,155,102		54,637,123
	Less : Closing Stock		3,127,500		12,750,250
			19,027,602		41,886,873
	<u>SCHEDULE : 15 :</u>				
	<u>LAND SCHEMES DEVELOPMENT & MAINTAINENCE</u>				
	Development Expenses - Schemes		2,134,077		1,800,193
	TOTAL		2,134,077		1,800,193
	<u>SCHEDULE : 16 :</u>				
	<u>GWLR OPERATIONS :</u>				
	Electricity Expenses		4,011,310		3,421,615
	Administrative Expenses		5,321,985		9,619,173
	GWLR Resort Maintenance		2,866,851		1,565,588
	Stores & Food Expenses		6,775,129		5,269,316
	Programme Expenses		89,300		48,241
	TOTAL		19,064,575		19,923,933

STERLING GREENWOODS LIMITED.

SR. NO.	PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2009
	<u>SCHEDULE : 17 :</u>				
	<u>SALARIES, WAGES AND OTHER EXPENSES :</u>				
	Salaries, Wages and Bonus		5,731,433		2,351,930
	Contribution to P.F.		197,208		116,363
	Staff Welfare Expenses		2,428		44,813
	TOTAL		5,931,069		2,513,106
	<u>SCHEDULE : 18 :</u>				
	<u>ADMINISTRATIVE EXPENSES :</u>				
	Rent, Rates and Taxes		277,421		136,737
	Repairs & Maintenance		1,304,773		111,393
	Stationery & Printing Expense		167,579		250,163
	Travelling & Conveyance Exp.		54,714		28,984
	Vehicle Expenses		428,261		434,434
	Legal & professional Fees		1,052,452		2,135,894
	Auditors Remuneration		71,850		55,000
	General Expenses		568,004		415,874
	Service Tax		1,002,348		607,405
	Sundry Balances W/off.		1,817,309		1,478,830
	TOTAL		6,744,711		5,654,714
	<u>SCHEDULE : 19 :</u>				
	<u>SELLING EXPENSES :</u>				
	Sales Promotion		5,400		141,747
	Advertisement Exp.		20,223		552,783
	Sales Commission & Discount		782,567		2,463,526
	TOTAL		808,190		3,158,056
	<u>SCHEDULE : 20 :</u>				
	<u>INTEREST/FINANCE CHARGES :</u>				
	Interest to Bank & Others		7,601,015		7,054,228
	TOTAL		7,601,015		7,054,228

SCHEDULE - 21
SIGNIFICANT ACCOUNTING POLICIES

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.
- a) 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 information service business on receipt basis.

• **AS – 1 – 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.

• **AS – 3 – Cash Flow Statement**

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

• **AS –4 – Contingencies and Events occurring after Balance sheet date.**

Sr No	Particulars	Amount (Rs)
1	Contingent Liabilities	Nil
2	Liabilities Disputed under Income Tax	Nil
3	Estimated Amount of Contracts remaining to be executed on Capital accounts and not provided for	Nil
4	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.	

• **AS – 5 – 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.

- **AS – 6 – 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 2010. The addition made afterwards is charged at half rate.

- **AS – 10 – Accounting of Fixed Assets**

Fixed Assts reflected in the financial statements are stated at their cost of acquisition including taxes, duties (Net of Refunds) and other identifiable direct charges incurred upto date the asset is put to use less accumulated depreciation where charged.

- **AS – 13 – Accounting for Investments:-**

The investments of the company are classified in to investments held for maturity and investment held other than for maturity. The company values its investments held for maturity at cost price ignoring any changes in the market price of the same. However, if change in value is on permanent basis, the same is recognized as profit or loss in profit and loss account. While investment held for other than maturity is valued at Market price by recognizing the same in profit and loss account.

- **AS – 15 – Accounting for retirement benefits**

Contribution made to defined contribution retirement benefit plans viz Provident fund, Gratuity fund (through LIC Group Gratuity Scheme), which are recognized as expenses as they fall due and paid. All the above expenditures are debited to profit and loss account. However, the company has not made any provision of leave encashment during year.

- **AS – 17 – Segment Reporting**

The Company operates two segments viz (1) Real Estate Business and (2) Resort Business division on the basis of business segment. The company has preferred to give segment reporting based on the basis of classifications of its business.

(Figures in Lakhs)

PARTICULARS	RESORT	REAL ESTATE	TOTAL
REVENUE			
Domestic Income	319.17	444.10	763.81
Export Income	NIL	NIL	NIL
Inter-segment Income	NIL	NIL	NIL
RESULTS			
Segment Results	70.35	3.83	74.18
Unallocated Corporate Exps	NIL	NIL	77.69
Operating Profit	70.35	3.71	74.18
Interest Expense	5.75	70.26	76.01
Interest Income	1.17	NIL	1.17
Income Tax	-----	-----	19.52
<i>Net Profit</i>	70.35	3.83	74.18
OTHER INFORMATION			
Segment assets			Nil
Unallocated Corporate Assets			2469.48
Total Assets			Nil
Segment Liabilities			
Unallocated Corporate Liabilities			
Capital Expenditure			
Depreciation			
Other on Capital Expenditure			

(B) Segment accounting policies:

In addition to the significant accounting policies applicable to the business segment as set out in notes to the accounts, the accounting Policies in relation to segment accounting are as under:

(a) Segment assets and liabilities:

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

(b) 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

AS – 18 – Related Party Disclosure

A. List Related Parties and Relations

1. Subsidiaries, Fellow Subsidiaries and Associates

- Sterling Resorts Private Limited

2. Key Management Personnel

- Shri B. Kumar
- Smt. Meeta Mathur
- Mr. Kunal Mathur
- Mr. Umang Vyas
- Mr. Jitendra Vyas
- Smt. Kusum B.Kumar
- Mr. Anurag Agarwal
- Mr. Ankit Mathur
- 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 Recreation Pvt. Ltd.
- Sterling Resorts Private Limited
- Ankit Mathur
- B.Kumar (HUF)
- Gaurav Mittal
- P.N. Zutshi
- Manorama Agarwal
- Umeshchandra Agarwal
- Paksh Developers Private Limited
- Greenwood Organiser & Engineer Pvt. Ltd.
- B.Kumar
- Kusum Kumar
- Meeta Mathur
- Om Kumar – HUF
- Madhu Mittal
- Radha Mittal
- A & A Associates

B. Transactions with Related Parties :-

(Rupees in Lakhs)

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		List of Relatives of Key Managerial Personnel and Enterprise	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Interest Paid	-----	-----	628764	566553	368252	521545
Remuneration	-----	-----	3962000	6334000	-----	-----

• AS – 20 – Earning Per Share

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

Particulars	This year	Last Year
Earning Available for share holders (Rs)	5466189	3276353
Weighted average of Equity Shares	4239688	4239688
Basic & diluted EPS	1.29	0.77
Face value of share	Rs.10/-	Rs.10/-

• AS-21 – Consolidated Financial Statements

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

• AS – 22 – 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. However company has not recognized & provided provisions for the assets in the books of accounts

- **AS – 28– 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. There is no impairment loss recognized or identified during the reporting period.

- **AS – 29– Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities are not provided for but are disclosed after a careful evaluation of facts and legal aspects of the matter involved. In general, liabilities and contingencies are provided for it. If, in the opinion and at the discretion of the management, there are reasonable prospects of such liabilities crystallizing or future outcome of such contingencies is likely to be materially detrimental to business.

Income Tax Liabilities (For the Asst. Year 1995-96) of which appeal by Income Tax Department is pending before the Income Tax Appellate Tribunal against the demand reduced by the C.I.T. Company is contingently liable for the amounting of Rs.92,61,016/-. Company has not made the provisions for the above nor it has provided demand of interest U/s. 220 amounting of Rs.2,00,000 paid during the year accounted with Advance Income Tax.

Disclosure required under companies Act, 1956

1. Figures of previous year have been regrouped / rearranged wherever necessary.
2. Directors Remuneration

Particulars	This year (Rs)	Last year (Rs)
Remuneration	3962000	6334000
Contribution to superannuation fund	Nil	Nil
Total	3962000	6334000

3. Remuneration to Auditors

PARTICULARS	Current Year (Rs.)	Previous Year (Rs.)
Payment To Auditors ➤ For Audit Fees	71850	55000

4. Foreign Exchange Earning and Outgo

PARTICULARS	Current Year (Rs.)	Previous Year (Rs.)
• Foreign Exchange Earnings	Nil	Nil
• Foreign Exchange Outgo	Nil	Nil

5. Service Tax Demand disputed and pending with Appellate Tribunal:-
- Against Resort & Hotel Business: Rs.23,03,073/-
Service Tax Penalty Disputed and pending with Appellate Tribunal: -
- Against Real Estate Business: Rs. 34,10,080/-
- Against Resort & Hotel Business: Rs.23,03,073/-

Signatures to the Schedule `1' to `21'

As per our separate report of even date attached

For, BAHETI BHADADA & ASSOCIATES
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

(B. K. BAHETI)
Partner

(B.Kumar)
Chairman

(Kusum B. Kumar)
Director

Place : Ahmedabad
Date : 31/05/2010

Place : Ahmedabad
Date : 31/05/2010

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of STERLING GREENWOODS LIMITED for the year ended on 31st March, 2010. The statement has been prepared by the company in accordance with requirements of Clause -32 of the Listing Agreements with Stock Exchange and is based on and in agreement with the corresponding balance sheet of the Company covered by our report of 31st March, 2010 to the members of the Company.

Date: 31/05/2010

For, Baheti Bhadada & Associates
Chartered Accountants

Place: Ahmedabad

(B. K. Baheti)
Partner

PART - III

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

1. Registration No. : U55101GJ1986PTC008664
State Code : 04
Balance-Sheet Date : 31/03/2010
:

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue : NIL
Rights Issue : NIL
Bonus Issue : NIL
Private Placement : NIL

III. Position of Mobilization and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities : 31359
Total Assets : 31359

Sources of Funds :

Paid-Up Capital : 42,396
Reserves & Surplus : 183,546
Secured Loans : 18,889
Unsecured Loans : 68,758
Deferred Tax Liabilities

Application Of Funds

Net Fixed Assets : 246,948
Investments : 7,749
Net Current Assets : 58,892
Misc. Expenditure : NIL
Accumulated Losses : NIL

IV. Performance of Company

Turnover : 76,498
Total Expenditure : 69,080
Profit/Loss Before Tax : 7,418
Profit/Loss After Tax : 5,466

Earning per Share in Rs. : 1.29
Dividend @% : NIL

V. Generic Names of Three Principal Products/Services of Company (as per Monetary terms)

Items Code No. : NIL
Land Development Construction & Resort
Product Description : Hotels

CASH FLOW STATEMENT FOR THE YEAR 2009 - 10

Particulars	(Rs.IN LAKHS)	(Rs.IN LAKHS)	(Rs.IN LAKHS)	(Rs.IN LAKHS)
	AMOUNT 2009-10	AMOUNT 2009-10	AMOUNT 2008-09	AMOUNT 2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES:				
(i) Net Profit/Loss before tax & extraordinary items		74.18		28.78
Adjusted for :				
Depreciation	38.07		38.28	
Interest (Net)	76.01		70.54	
Profit on Sale of Assets	-		-	
		114.08		108.82
(ii) Operating Profit Before working capital changes		188.26		137.60
Adjustments For:				
Inventory	96.31		188.05	
Current Assets	350.59		(461.30)	
Current Liabilities	(112.95)	333.95	(0.20)	(273.45)
(iii) Cash Generated from Operations				
Interest Paid	(76.01)		(70.54)	
Deffered Tax Adjustment	-		-	
Direct Taxes Paid	(19.52)	(95.53)	3.99	(66.55)
(iv) Net Cash flow from operating activity		426.68		(202.40)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(34.70)		(171.10)	
Sale of Fixed Assets	149.37		-	
Increase in Investments	-	114.67	(0.89)	(171.99)
Net Cash used in investing activities				
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term/Short Term borrowing	(350.17)		367.30	
Dividend Paid	-		-	
Net Cash in Flow from Financing Activities		(350.17)		367.30
Net Increase in cash and Cash Equivalent (A+B+C)		191.19		(7.09)
Cash and Cash Equivalents as at 1/04/2009 (Opening Bal.)		14.27		21.36
Cash and Cash Equivalents as at 31/03/2010 (Closing Bal.)		205.46		14.27

Place : Ahmedabad

Date : 31/05/2010

(B.KUMAR)
CHAIRMAN

STERLING RESORTS PRIVATE LIMITED

24TH ANNUAL REPORT
2009 – 2010

STERLING RESORTS PRIVATE LIMITED

NOTICE

Notice be and is hereby given that the **24TH ANNUAL GENERAL MEETING** of the Members of the company will be held at the registered office of the company at 18/06/2010 on Friday at 12.00 noon to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2010 and Profit & Loss A/c for the year ended on that date together with its Auditor's Report and Directors' report.
2. To appoint Statutory Auditors to hold office from the conclusion of this Annual General meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration as decided by the Board of Directors.

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

BY ORDER OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD

DATE: 31/05/2010

**(MR. B. KUMAR)
DIRECTOR**

DIRECTOR'S REPORT

To,
The Members of
STERLING RESORTS PRIVATE LIMITED

Your Directors have pleasure in presenting the 24th Annual Report of your company together with the Audited Statement of Accounts for the year ended, 31st March 2010.

FINANCIAL RESULTS:

During the year under review, the Company has incurred pre-operative expenses amounting to Rs.72,821/- The Municipality; Mt. Abu has accorded sanction to the plans of our Hotel Project. However, there is a High Court of Rajasthan stay order on any construction work in the hotel zone. The company has filed necessary application in the High Court of Rajasthan in this regard. However, all activities are now standstill in view of the stay orders.

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

PUBLIC DEPOSITIS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year under review.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. That the directors have prepared the Annual Accounts for the financial year ended March 31, 2010 on a "Going Concern" basis.

AUDITORS:

M/s. Baheti Bhadada & Associates, Chartered Accountants, Ahmedabad, the present Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and are eligible for reappointment. The company has received a letter from them to the effect that their appointment as Auditors, if made, would be within the limits U/s. 224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

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

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

PLACE: AHMEABAD

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

DATE: 31.05.2010

(B. KUMAR)
DIRECTOR



AUDITOR'S REPORT

To,
The Members of
STERLING RESORTS PRIVATE LIMITED

We have audited the attached Balance Sheet of STERLING RESORTS PRIVATE LIMITED as at 31st March 2010. The Company has not prepared Profit and Loss Account for the year under review, as the company has not undertaken any commercial activities during the year.

We report that: -

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

Further to our comments in the Annexure referred to in Paragraph above, we report that:

- a We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c The Balance Sheet referred to in this report is in agreement with books of accounts.
- d In our opinion, Balance Sheet of the company dealt with this report complies with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e On the basis of our review of the confirmation received and the information and explanations given to us none of the directors of the company is, prima-facie, as at 31st March, 2010 disqualified from being appointed as directors of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the accounts read along with notes and accounting policies, give the information required by the Companies Act, 1956 in the manner so required and subject to the following:

In the case of Balance Sheet, of the state of affairs of the Company, as at 31st March, 2010

ANNEXURE TO THE AUDITORS REPORT

Annexure to the Auditor's Report referred to in paragraph 1 of our report of STERLING RESORTS PRIVATE LIMITED date on the accounts for the period ended on 31st March 2010.

I. FIXED ASSETS

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The management during the year has physically verified all the assets. No serious discrepancies have been noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, no substantial part of fixed assets has been disposed off by the Company during the year.

II. INVENTORY

As the company has not undertaken any commercial activities during the year therefore this clause is not applicable.

III. The Company has not given advance & not taken loan, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion term and condition of such advances and loan are not prejudicial to the interest of the Company.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

V. According to the information given to us, there are no transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.

VI. The Company has not accepted deposits from the public within the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

VII. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

VIII. The Central Government has not prescribed for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

IX. According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.

X. The company has not cash loss during the year but it has accumulated losses of Rs. 56701677.

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. The Company has not obtained any term loans during the year.
- 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. No long-term funds have been used to finance short-term assets.
- XVIII. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register 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.

PLACE: AHMEDABAD
DATE: 31.05.2010

FOR, BAHETI BHADADA & ASSOCIATES
CHARTERED ACCOUNTANTS

(B. K. BAHETI)
PARTNER

STERLING RESORTS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

SR NO	PARTICULARS	SCH. NO.	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009	AS AT 31.03.2009
I	SOURCES OF FUNDS					
A.	SHARE HOLDERS FUNDS :					
	(i) Share Capital	1	675000		675000	
	(ii) Reserves & Surplus	2	1330205		1330205	
				2005205		2005205
B.	LOAN FUNDS :					
	(i) Secured Loans		0		0	
	(ii) Unsecured Loans	3	172930		172930	
				172930		172930
	TOTAL			2178135		2178135
II	APPLICATION OF FUNDS					
A.	FIXED ASSETS :					
	(i) Gross Block	4	1734863		1734863	
	(ii) Less Depreciation		0		0	
	(iii) Net Block			1734863		1734863
B.	INVESTMENTS :			0		0
C.	CURRENT ASSETS, LOANS & ADVANCES					
	(1) CURRENT ASSETS :					
	(i) Sundry Debtors		55000		55000	
	(ii) Cash & Bank Balances	5	10000		363	
	(iii) Loans & Advances	6	541573		541573	
	TOTAL CURRENT ASSETS		606573		596936	
	LESS : CURRENT LIABILITIES & PROVISION	7	4164292		4081833	
	NET CURRENT ASSETS			-3557719		-3484897
	MISCELLANEOUS EXPENDITURE					
	Preliminary Expenses		3500		3500	
	Preoperative Expenses	8	3717182		3644360	
				3720682		3647860
	Profit & Loss A/c			280309		280309
	TOTAL			2178135		2178135
	Significant Accounting Policies	9				

As per our separate report of even date.

For, Baheti Bhadada & Associates
Chartered Accountants

(B.K.Baheti)
Partner

Place : Ahmedabad
Date: 31/05/2010

For, Sterling Resorts Private Limited

(B. Kumar) (Kusum B. Kumar)
Director Director

Place : Ahmedabad
Date: 31/05/2010

STERLING RESORTS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SR. NO.	PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
	SCHEDULE : 1 :		
	SHARE CAPITAL :		
	Authorised : 70,00,000 Equity Shares of Rs.10/	700000	700000
	Issued 67500 Equity Shares of Rs.10/- each	675000	675000
	Subscribed 67500 Equity Shares of Rs.10/- each	675000	675000
	SCHEDULE : 2 :		
	RESERVES AND SURPLUS :		
	Revaluation Reserve	1330205	1330205
		1330205	1330205
	SCHEDULE : 3 :		
	UNSECURED LOANS:		
	From Directors	172930	172930
		172930	172930
	SCHEDULE : 5 :		
	CSHA & BANK BALANCES:		
	(i) Balances with Scheduled Banks in Current A/c.	10000	363
		10000	363
	SCHEDULE : 6 :		
	LOANS & ADVANCES:		
	(a) Loans & Advances	330149	330149
	(b) Others	211424	211424
	TOTAL	541573	541573
	SCHEDULE : 7 :		
	CURRENT LIABILITIES & PROVISIONS		
	CURRENT LIABILITIES		
	1. Sundry Creditors	2748671	2666212
	2. Other liabilities	1415621	1415621
		4164292	4081833

STERLING RESORTS PRIVATE LIMITED.
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 4 FIXED ASSETS

ACCT. YEAR : 2009-10

SR. NO.	PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		AS AT 01.04.2009	ADDITIONS (in Rs.)	UPLIFT	DEDUCTION (in Rs.)	AS AT 31.03.2010	DEP.RATE %	UP TO 01.04.2009	ADDITIONS (in Rs.)	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
1	LAND - FREE HOLD	1574500	0	0	0	1574500	-	0	0	0	1574500	1574500
2	LEASEHOLD LAND	101980	0	0	0	101980	-	0	0	0	101980	101980
3	DEAD STOCK	3566	0	0	0	3566	18.10%	0	0	0	3566	3566
4	FURNITURE & FIXURES	29905	0	0	0	29905	18.10%	0	0	0	29905	29905
5	CLUB KITCHEN EQUIPMENT	20341	0	0	0	20341	18.10%	0	0	0	20341	20341
6	CLUB EQUIPMENT	3820	0	0	0	3820	13.91%	0	0	0	3820	3820
7	VEHICLES	751	0	0	0	751	25.89%	0	0	0	751	751
	CURRENT YEAR	1734863	0	0	0	1734863	-	0	0	0	1734863	1734863
	PREVIOUS YEAR	1734863	0	0	0	1734863	-	0	0	0	1734863	1,734,863

STERLING RESORTS PRIVATE LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS

SR. NO.	PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
	SCHEDULE : 8 :		
	PREOPERATIVE EXPENSES:		
	Advertisement Exp.	153726	153726
	Architect & Design Fees	620400	620400
	Auditor Remuneration	45000	45000
	Bank Charges	9523	9160
	Consumable Exp.	975	975
	Depreciation	55279	55279
	Donation	20000	20000
	Filing Fees	6300	4500
	General Charges	11836	11836
	General Office Exp.	7077	7077
	Interest (Net)	41794	41794
	Labour Charges	98057	98057
	Land Survey Exp.	7920	7920
	Lease Rent	1095749	1035749
	Legal & Professional Fees	10640	10640
	Legal Exp.	34708	31708
	Professional Fees	1261198	1261198
	Salary	20600	20600
	Stationery Exp.	6891	6891
	Sundry Bal. Amt. W / off	371	371
	Survey Fees.	7200	7200
	Travelling Exp.	201938	194279
	TOTAL	3717182	3644360

SCHEDULE - 9
SIGNIFICANT ACCOUNTING POLICIES

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.

a) The company generally follows mercantile system of accounting.

• **AS – 1 – 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 of accounting. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

• **AS – 3 – Cash Flow Statement**

Company is not falling under the Level -1 as prescribed in Accounting Standard -3 as per standard issued by ICAI therefore this standard is not applicable to the Company.

• **AS –4 – Contingencies and Events occurring after Balance sheet date.**

Sr No	Particulars	Amount (Rs)
1	Contingent Liabilities	Nil
2	Liabilities Disputed under Income Tax	Nil
3	Estimated Amount of Contracts remaining to be executed on Capital accounts and not provided for	Nil
4	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.	

• **AS – 5 – 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.

- **AS – 6 – Depreciation Accounting**

The Company is not providing depreciation on its 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.

- **AS – 10 – Accounting of Fixed Assets**

Fixed Assts reflected in the financial statements are stated at their historical cost.

- **AS – 13 – Accounting for Investments:-**

The investments of the company are Nil value hence AS-13 is not applicable.

- **AS – 17 – Segment Reporting**

The Company does not operate any segments wise business therefore AS-17 for Segment Reporting is not applicable.

- **AS – 18 – Related Party Disclosure**

A. List Related Parties and Relations

1. **Holding Company** - Sterling Greenwoods Limited

2. **Key Management Personnel**

- Shri B. Kumar
- Smt. Kusum B.Kumar
-

B. Transactions with Related Parties: - There are no transactions done with related parties during the year.

- **AS – 20 – Earning Per Share**

The Company has not prepared Profit and Loss Account for the year under review, as the company has not undertaken any commercial activities during the year. Hence Basic Earnings per Share are not disclosed in the profit and loss account.

- **AS – 21 – Consolidated Financial Statements**

Company is wholly owned Subsidiary of STERLING GREENWOODS LIMITED and so the disclosure as per AS-21 has been given.

- **AS – 28– 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. There is no impairment loss recognized or identified during the reporting period.

- **AS – 29– Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities are not provided for but are disclosed after a careful evaluation of facts and legal aspects of the matter involved. In general, liabilities and contingencies are provided for it. If, in the opinion and at the discretion of the management, there are reasonable prospects of such liabilities crystallizing or future outcome of such contingencies is likely to be materially detrimental to business.

Disclosure required under companies Act, 1956

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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
a. Directors Remuneration	Nil	Nil

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

Signatures to the Schedule `1' to `9'

As per our separate report of even date attached

For, BAHETI BHADADA & ASSOCIATES
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

(B. K. BAHETI)
Partner

(B.Kumar)
Chairman

(Kusum B. Kumar)
Director

PART - III

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

1. Registration No. : U55101GJ1986PTC008864
State Code : 04
Balance-Sheet Date : 31/03/2010
:

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue : NIL
Rights Issue : NIL
Bonus Issue : NIL
Private Placement : NIL

III. Position of Mobilization and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities : 2178
Total Assets : 2178

Sources of Funds :

Paid-Up Capital : 675
Reserves & Surplus : 1330
Secured Loans : Nil
Unsecured Loans : 173
Deferred Tax Liabilities

Application Of Funds

Net Fixed Assets : 1735
Investments : Nil
Net Current Assets : (3558)
Misc. Expenditure : 3721
Accumulated Losses : 280

IV. Performance of Company

Turnover : NIL
Total Expenditure : NIL
Profit/Loss Before Tax : NIL
Profit/Loss After Tax : NIL

Earning per Share in Rs. : NIL
Dividend @% : NIL

**V. Generic Names of Three Principal Products/Services of Company
(as per Monetary terms)**

Items Code No. : NIL
Service Description : Hotel Resort