

## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of M/s STERLING GREENWOODS LIMITED will be held on Tuesday the 30<sup>th</sup> September 2014 at the 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 consider, receive and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2014 and Statement of Profit and Loss for the year ended on 31<sup>st</sup> March 2014 together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mrs Meeta Mathur who retires by rotation and is eligible for reappointment.
3. To re-appoint the Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 read with Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), M/s ANIL S SHAH & CO., (Firm Registration No 110417W), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting (after commencement of the Companies Act 2013), at a remuneration to be decided by the Managing Director in consultation with the Auditors plus applicable Service Tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

### SPECIAL BUSINESS

To consider and, If thought fit, to pass with or without modification(s) the following resolutions as Special Resolutions:

#### Item No. 4

**“RESOLVED THAT** Mr. Bharat Kumar Lekhi (DIN 3363339) who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 01 2013 and who holds office until the date of the Annual General Meeting, in terms of Section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Bharat Kumar Lekhi as a candidate for office of a Director of the Company, be and is hereby appointed as Director of the Company whose office shall be liable to retire by rotation.”

#### Item No. 5

**“RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013 Mr. Sudhir Kulkarni (DIN 06900287) who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 19, 2014 and who holds office until the date of the Annual General Meeting, in terms of Section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Sudhir Kulkarni as a candidate for office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for five years w.e.f 30th September 2014.”

#### Item No. 6

**“RESOLVED THAT** Mr. Umesh Lavingia (DIN 02426615) who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 19, 2014 and who holds office until the date of the Annual General Meeting, in terms of Section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Umesh Lavingia as a candidate for office of a Director of the Company, be and is hereby appointed as Director of the Company whose office shall be liable to retire by rotation.”

#### Item No. 7

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Padmanabha V Iyer (DIN 00548404), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an Independent Director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 30th September 2014.”

## Item No. 8

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Virendra Singh M Rawat (DIN 05119341), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an Independent Director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f. 30th September 2014.”

## Item No. 9

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & subject to the limits specified in Schedule V of the Companies Act, 2013 and subject to the approval of members, Mr. Basant Kumar be and is hereby appointed as Executive Chairman for a period of three years w.e.f. 1<sup>st</sup> October 2014 at remuneration not exceeding of Rs. 18,00,000 per annum including Basic Salary, perks and other benefits.”

“**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Basant Kumar within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Basant Kumar without any further reference to the Company in General Meeting.”

## Item No. 10

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & subject to the limits specified in Schedule V of the Companies Act, 2013 and subject to the approval of members, Mr. Umesh Lavingia be and is hereby appointed as Executive Vice Chairman for a period of three years w.e.f. 19<sup>th</sup> June 2014 at remuneration not exceeding Rs. 18,00,000 per annum including Basic Salary, perks and other benefits.”

“**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Umesh Lavingia within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Umesh Lavingia without any further reference to the Company in General Meeting.”

## Item No: 11

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & subject to the limits specified in Schedule V of the Companies Act, 2013 and subject to the approval of members, Mr. Bharat Kumar Lekhi be and is hereby appointed as Managing Director for a period of three years w.e.f. 19<sup>th</sup> June 2014 at remuneration not exceeding Rs. 22,00,000 per annum including Basic Salary, perks and other benefits and concurrent termination of the earlier appointment for the residual tenure due for expiry on October 31, 2018.”

“**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Bharat Kumar Lekhi within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Bharat Kumar Lekhi without any further reference to the Company in General Meeting.”

## Item No. 12

**RESOLVED THAT** Pursuant to Section 180 (1) (c) and other applicable provisions if any of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of money in any manner and without prejudice to the generally thereof, by way of loans, advances, credits, acceptance of deposits from any bank or financial institutions, Central Government or State Government, body corporate, firm, other person or persons from time to time as and when required by the Company notwithstanding that the monies so borrowed together with monies already borrowed by the Company ( apart from loans obtained from the Company’s Banker in

ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves which have not been set apart for any specific purpose, subject however to the condition that the total amount of borrowing outstanding at any one time shall not exceed the limit of Rs. 10 Crores.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to finalize the terms and conditions of the borrower/issue of debentures/ instrument with the lenders/ investors/ debenture trustees and to do all such acts, deeds, matters, and things as may be deemed necessary in the interest of the Company, in accordance with the said borrower/issue of debentures and to execute all such documents as it may consider necessary for the purpose of giving effect to these resolutions.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid Resolution.”

#### Item No. 13

“**RESOLVED THAT** Pursuant to Section 180 (1) (a) of the Companies Act 2013 consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created or to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and /or immovable properties of the Company, both present and future and/or whole or any part of the undertaking(s) of the Company together with the power to take over the Management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currencies) and Securities comprising fully/partly convertible Debentures with or without detachable and/or secured premium notes and/or floating rates notes bonds or other debt instrument(s) issued or to be issued by the Company from time to time, subject to the limits approved u/s 180 (1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s), Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s)/ Heads of document entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s)/Trustee(s).”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in regard to creating, mortgages/charges as aforesaid.”

#### Item No. 14

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re- enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board  
Sterling Greenwoods Limited**

Place : Ahmedabad

Date : 13<sup>th</sup> August, 2014

**Bharat Kumar Lekhi**

**Registered Office :  
Sterling Greenwoods Limited**

Sunrise Centre, Opp. Drive-In Cinema, Ahmedabad - 380 054. Tel. : 079 - 2685 1680, 2685 0935, 2685 1223

E-mail : officeofd@sterlinggreenwoods.com Website : sterlinggreenwoods.com CIN : L51100GJ1992PLC017646

## NOTES

1. A Member entitled to attend and vote at the Annual General Meeting (“Meeting/AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the Company. However, a Member holding more than 10 per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the Company at its registered office at least 48 (Forty Eight) hours before the commencement of the Meeting.
2. The relative Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013 (corresponding to 173(2) of the Companies Act, 1956), in respect of the special business under item No. 4 to 14 is annexed hereto.
3. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 22<sup>nd</sup> September 2014 to 29<sup>th</sup> September 2014 both days inclusive.
5. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
6. Members who hold shares in dematerialised form are requested to write their Client – ID and DP – ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.
8. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. to 1.00 p.m. prior to the date of AGM.
9. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.

## Voting in Electronic Form (E-Voting)

10. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the CDSL by electronic means and the business may be transacted through e-Voting Services provided by CDSL.
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on “Shareholders” tab.
  - (iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “**STERLING GREENWOODS LIMITED**” from the drop down menu and click on “SUBMIT”
  - (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

\* For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

# Any one of the details i.e. DOB or Bank details should be entered for logging into the account. If Bank Details and Date of Birth are not recorded with the Depository or Company, please enter the number of shares held by you as on the cut off date i.e. 22nd August, 2014 in the Bank Details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolution.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting Page.
- (xv) If Demat account holder has forgotten the changed password, then enter the User ID and Captcha Code, click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details, they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xvii) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

11. E-voting period begins on 23.09.2014 and ends on 25.09.2014. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
12. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. Mr. Ashwin Shah, Practicing Company Secretary (Membership No. 1640) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
14. Members, who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
15. Kindly note that members can opt for only one mode of voting i.e. either by physical ballot or through e-voting. If Members are opting for e-voting, then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
16. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company
17. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be available on the Company’s website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

**By Order of the Board  
Sterling Greenwoods Limited**

Place : Ahmedabad

Date : 13<sup>th</sup> August, 2014

**Bharat Kumar Lekhi**

**Registered Office :**  
**Sterling Greenwoods Limited**

Sunrise Centre, Opp. Drive-In Cinema, Ahmedabad - 380 054. Tel. : 079 - 2685 1680, 2685 0935, 2685 1223

E-mail : [officeofmd@sterlinggreenwoods.com](mailto:officeofmd@sterlinggreenwoods.com) Website : [sterlinggreenwoods.com](http://sterlinggreenwoods.com) CIN : L51100GJ1992PLC017646

## Details of Directors seeking Appointment / Re-appointment

Particulars	Date of Birth	Date of Appointment	Qualification	Nature of Expertise	Directorship held in other Companies	Membership/ Chairmanships of Committees of other Companies (Includes only Audit Committee and Shareholder/ Investor Grievance Committee)	No. of Shares held in the Company
Mr. B. Kumar	12.02.1930	14.05.1992	B.Sc. (Engg.) AMIE	Township Planner and Real Estate Developer and the visionary who gave the concept of Club and Corporate Hospitals to the city of Ahmedabad.	Nil	Nil	20,54,182
Mr. Umesh Lavingia	17.05.1950	19.06.2014	B. E. (Civil) M. E. (Civil I.I. Sc.) MIE (Registered Valuer) F.G.I.C.E.A.	Visiting Faculty to CEPT University; Engaged in Architecture and Construction and a philanthropist.	Nil	Nil	Nil
Mr. Bharat Kumar Lekhi	26.07.1972	01.10.2014	B.H.M.	With Bachelors Degree in Hotel Management, he has been in Hospitality Industry for a substantial part of his career. He has been Vice President of the Nav Bharat Group of Companies.	Nil	3	200
Mrs. Meeta Mathur	20.05.1958	05.08.1992	D. Arch.	She is a qualified architect from CEPT.	Nil	Nil	Nil
Mr. Padmanabha V. Iyer	14.08.1928	31.01.2007	B.Sc.	He is a turn around manager. He has revived many sick units including pharmaceuticals & engineering units. He initiated the efforts for creating the corpus for raising Ahmedabad Management Association's building at Ahmedabad. The magnificent AMA building is the result of his untiring efforts.	Nil	3	Nil
Mr. Virendra Singh Rawat	27.02.1972	29.09.2012	MBA	He is an educationist. He is managing large number of educational institutions in the State of Gujarat – two universities and around 10 CBSE schools.	Nil	3	Nil
Mr. Sudhir Kulkarni	29.10.1951	19.06.2014	B. Tech. in Textiles Technology	He has wide experience of Textile Industry. He has worked with many textile groups of Ahmedabad.	Nil	Nil	Nil

## Explanatory Statement under section 173(2) of the Companies Act, 1956 along with section 102(2) of the Companies Act, 2013

### Item No. 4 and 11

The Board of Directors at its meeting held on October 01, 2013 appointed Mr. Bharat Kumar Lekhi as an Additional Director of the Company. According to the provisions of Section 161 of the Companies Act, 2013, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Mr. Bharat Kumar Lekhi as a Director along with the deposit of requisite amount.

The Board of Directors of the Company had, vide resolution passed at their meeting held on 28.10.2013, appointed Mr. Bharat Kumar Lekhi as Managing Director of the Company for a period of 5 years with effect from November 1, 2013.

The term of office of Mr. Bharat Kumar Lekhi as Managing Directors was upto October 31, 2018. However, with enactment of Companies Act, 2013 and rules framed thereunder the Board of Directors at its meeting held on June 19, 2014 have terminated the appointment of Shri Bharat Kumar Lekhi and re-appointed Mr. Bharat Kumar Lekhi as the Managing Director of the Company for a period of three years with effect from June 19, 2014 upto June 18, 2017, subject to the approval of the members in the General Meeting. The terms of re-appointment have been recommended by the Nomination and Remuneration Committee (Compensation Committee) in the meeting held on June 19, 2014.

The terms and conditions of his appointment are as follows:

1. Remuneration: As provided in the resolution.
2. Period of appointment: Three years beginning June 19, 2014 and ending on June 18, 2017.
3. The appointment may be terminated by either party by giving three months' notice in writing of such termination or as may be mutually agreed between the parties.
4. Mr. Bharat Kumar Lekhi shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Bharat Kumar Lekhi as a Managing Director for a period of three years commencing June 19, 2014.

In accordance with the resolution, within the aforesaid limits, the amount of salary, ex-gratia and perquisites payable to Mr. Bharat Kumar Lekhi (including the types and amount of each type of perquisite) will be decided by the Board of Directors or Nomination and Remuneration Committee (or Compensation Committee) from time to time as it may deem fit in its absolute discretion. Further, Mr. Bharat Kumar Lekhi shall be entitled to benefits as provided to senior employees, in accordance with schemes made by the Company from time to time. The valuation of perquisites will be as per the Income – Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

Your directors recommend to pass the resolution.

None of the Directors of the Company or their relatives except Shri Bharat Kumar Lekhi or Key Managerial Personnel (KMP) or their relatives is interested in above resolution

### Item No. 5

The Board of Directors at its meeting held on June 19, 2014 appointed Mr. Sudhir Kulkarni as an Additional Independent Director of the Company. According to the provisions of Section 161 of the Companies Act 2013, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Mr. Sudhir Kulkarni as an Independent Director as per Section 149 of the Companies Act, 2013 along with the deposit of requisite amount.

Mr. Sudhir Kulkarni, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Sudhir Kulkarni fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and he is independent of the management.



Mr. Sudhir Kulkarni is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sudhir Kulkarni as an Independent Director is now being placed before the Members for their approval.

Your directors recommend to pass the resolution.

None of the Directors of the Company or their relatives except Mr. Sudhir Kulkarni or Key Managerial Personnel (KMP) or their relatives is interested in above resolution

## **Item No. 6 and 10**

The Board of Directors at its meeting held on June 19, 2014 appointed Mr. Umesh Lavingia as a Director of the Company. According to the provisions of Section 161 of the Companies Act 2013, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Mr. Umesh Lavingia as a Director along with the deposit of requisite amount.

Mr. Umesh Lavingia is deeply involved in the day-to-day management of the Company and takes keen interest in various on going activities of the Company. It is in the interest of the Company to appoint him for a period of 3 years. In the meeting of Board of Directors held on June 19, 2014 he is appointed as Executive Vice Chairman for 3 years from 19/06/2014 to 18/06/2017 subject to the approval of members.

The terms and conditions of his appointment are as follows:

1. Remuneration: As provided in the resolution.
2. Period of appointment: Three years beginning June 19, 2014 and ending on June 18, 2017.
3. The appointment may be terminated by either party by giving three months' notice in writing of such termination or as may be mutually agreed between the parties.
4. Mr. Umesh Lavingia shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the appointment of Mr. Umesh Lavingia as a Executive Vice Chairman for a period of three years commencing June 19, 2014.

In accordance with the resolution, within the aforesaid limits, the amount of salary, ex-gratia and perquisites payable to Mr. Umesh Lavingia (including the types and amount of each type of perquisite) will be decided by the Board of Directors or Nomination and Remuneration Committee (or Compensation Committee) from time to time as it may deem fit in its absolute discretion. Further, Mr. Umesh Lavingia shall be entitled to benefits as provided to senior employees, in accordance with schemes made by the Company from time to time. The valuation of perquisites will be as per the Income – Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

Your directors recommend to pass the resolution.

None of the Directors of the Company or their relatives except Mr. Umesh Lavingia or Key Managerial Personnel (KMP) or their relatives is interested in above resolution

## **Item No. 7 and 8**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Padmanabha V Iyer and Mr Virendra Singh M Rawat as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from 1 April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreements with Stock Exchanges (to come into force w.e.f. 1 October, 2014),

an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

Mr. Padmanabha V Iyer and Mr Virendra Singh M Rawat, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

Mr. Padmanabha V Iyer and Mr Virendra Singh M Rawat are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Mr. Padmanabha V Iyer and Mr Virendra Singh M Rawat for the office of Independent Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Independent Directors shall be open for inspection by the Members at the registered office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

The Board of Directors recommends the said resolutions for your approval.

None of the Directors of the Company or their relatives except Mr. Padmanabha V Iyer and Mr Virendra Singh M Rawat or Key Managerial Personnel (KMP) or their relatives is interested in above resolution.

## Item No. 9

Mr. Basant Kumar is the Director of the Company since Inception of the company. He has provided his valuable knowledge to the company's affairs. For obtaining his guidance and expert knowledge in day to day affairs of the company and for expansion of the company's business, it is in the interest of the Company to appoint Mr. Basant Kumar as Executive Chairman of the Company for a period of 3 year w.e.f 1<sup>st</sup> October 2014

The terms and conditions of his appointment are as follows:

1. Remuneration: As provided in the resolution.
2. Period of appointment: Three years beginning October 01, 2014 and ending on September 30, 2017.
3. The appointment may be terminated by either party by giving three months' notice in writing of such termination or as may be mutually agreed between the parties.
4. Mr. Basant Kumar shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the appointment of Mr. Basant Kumar as Executive Chairman for a period of three years commencing October 01, 2014.

In accordance with the resolution, within the aforesaid limits, the amount of salary, ex-gratia and perquisites payable to Mr. Basant Kumar (including the types and amount of each type of perquisite) will be decided by the Board of Directors or Nomination and Remuneration Committee (or Compensation Committee) from time to time as it may deem fit in its absolute discretion. Further, Mr. Basant Kumar shall be entitled to benefits as provided to senior employees, in accordance with schemes made by the Company from time to time. The valuation of perquisites will be as per the Income – Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

Your directors recommend to pass the resolution.

None of the Directors of the Company or their relatives except Mr. Basant Kumar and Mrs. Meeta Mathur or Key Managerial Personnel (KMP) or their relatives is interested in above resolution

## Item No. 12

With the enactment of Companies Act, 2013 and Rules framed thereunder and as per the provisions of Section 180 (1) (c) of the Companies Act, 2013 (Corresponding to Section 293 (1) (d) of the Companies Act, 1956) with respect to borrowing money in excess of aggregate of the paid up share capital of the Company and its free reserves respectively, approval of the members needs to be obtained by way of Special Resolution.

The business of the Company had increased manifold. Keeping the capital expenditure to be incurred and the working capital requirement in mind, it would be advisable to authorise the Board of Directors to borrow upto 10 Crores. (Rupees Ten Crores) Accordingly, the approval of members by way of special resolution is sought.

Your directors recommend to pass the resolution.

None of the Directors, Key Managerial Person and their relatives is interested in above resolution

## Item No. 13

The Company has placed before you under serial no. 12 of this Notice, Resolution for authorizing Board to borrow money under Section 180 (1) (c) of the Companies Act, 2013 upto Rs. 10 crores. The borrowings of the Company in general are required to be secured by suitable mortgage and/or charge on any of movable or immovable properties of the Company in such form, manner and ranking as may be required by the lenders and agreed by the Board of Directors of the Company.

The mortgage and/or charge by the Company of its movable and/or immovable properties and/ or the whole or any part of the undertaking(s) of the Company, in favor of lender(s), with a power to take over the Management of the business and concern of the company. Hence, the consent of the company in General Meeting is required under the said section for creation of such mortgage/charge.

Your directors recommend to pass the resolution.

None of the Directors, Key Managerial Person and their relatives is interested in above resolution

## Item No. 14

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AoA is being uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommends the above resolution for your approval.

None of the Directors, Key Managerial Person and their relatives is interested in above resolution.

**By Order of the Board  
Sterling Greenwoods Limited**

Place : Ahmedabad

Date : 13<sup>th</sup> August, 2014

**Bharat Kumar Lekhi**

## The Statement as per Clause (iv) of Section II of the Part II of Schedule V of Companies Act, 2013

### (A)

#### I GENERAL INFORMATION :

1. Nature of Industry: The Company is operating in Real Estate and Hospitality Industry.
2. Date of Commencement of commercial activity : 14.05.1992
3. Financial Performance:
  - (i) Turnover – Rs.491.74 lacs
  - (ii) Profit /Loss Before Tax) – Rs 92.26 lacs
  - (iii) EPS Rs. 2.18
4. Export Performance and net foreign exchange collaborations: N.A.
5. Foreign Investments or collaborations: N.A.

#### II INFORMATION ABOUT THE APPOINTEE:

##### 1. Background Details:

- i Name : Bharat Kumar Lekhi
- ii Date of Birth : 26.07.1972
- iii Qualification : B.H.M
- iv Occupation : Business

##### 2. Past Remuneration:

Rs. : Nil

##### 3. Recognition, Job Profile and his Suitability :

He has got Bachelor degree of Hotel Management from Mangalore University. He has attended various sales and marketing workshops in India and abroad with a work experience of more than 20 years. He has been Vice President of the Navbharat Group of Companies. Prior to joining he has been working in Newzealand.

##### 4. Remuneration proposed:

Not exceeding Rs.22.00 Lacs Per Annum

##### 5. Comparative Remuneration Profile: It is not possible to give comparison of peer group as the Company has two key activities of Real Estate and Hospitality.

##### 6. Pecuniary Relationship with company or managerial personnel: No

#### III OTHER INFORMATION :

1. Reasons for loss or Inadequate Profits: General recession in the industry
2. Steps taken or proposed to be taken for improvement: We are spending substantial amount on development activity; registering on property web portals and will offer incentives to potential buyers
3. Expected increase in productivity and profits in measurable terms: We expect 40 to 50 percent in the turnover as well as profitability.

#### IV DISCLOSURE :

The remuneration not exceeding Rs. 22,00,000/- will be paid to Managing Director includes Salary, Dearness Allowance, Perquisites and other allowances. It does not include contribution to provident fund, superannuation fund or annuity fund, gratuity or leave encashment.

## (B)

### I GENERAL INFORMATION:

1. Nature of Industry: The Company is operating in Real Estate and Hospitality Industry.
1. Date of Commencement of commercial production: 14.05.1992
2. Financial Performance:
  - i. Turnover – Rs.491.74 lacs
  - ii. Profit /Loss (Before Tax) –Rs.92.26 lacs
  - iii. EPS Rs.2.18
3. Export Performance and net foreign exchange collaborations: N.A
4. Foreign Investments or collaborations: N.A

### II INFORMATION ABOUT THE APPOINTEE:

#### 1. Background Details:

- i Name : Umesh Lavingia
- ii Date of Birth : 17.05.1950
- iii Qualification : B.E. (Civil) M.E. (Civil I.I.Sc.)  
M.I.E. (Registered Valuer)  
F.G.I.C.E.A
- iv Occupation : Business

#### 2. Past Remuneration:

Rs. : NIL

#### 3. Recognition, Job Profile and his Suitability :

He is Ex. Professor of Structural Engineering, S.I.D. CEPT University, Ahmedabad. He is Managing Director of Lavingia Consultants Pvt. Ltd., an organization dedicated to Architectural, Structural and Construction Management. He is a philanthropist and a Managing Trustee of Shri Gordhandas Patel Diagnostic and Research Centre at Ahmedabad.

#### 4. Remuneration proposed:

Not Exceeding Rs. 18.00 Lacs per annum

#### 5. Comparative Remuneration Profile: It is not possible to give comparison of peer group as Company has two key activities of Real Estate and Hospitality.

#### 6. Pecuniary Relationship with company or managerial personnel: No

### V OTHER INFORMATION:

1. Reasons for loss or Inadequate Profits: General recession in the industry
2. Steps taken or proposed to be taken for improvement: We are spending substantial amount on development activity; registering on property web portals and will offer incentives to potential buyers
3. Expected increase in productivity and profits in measurable terms: We expect 40 to 50 percent in the turnover as well as profitability.

### III DISCLOSURE:

The remuneration not exceeding Rs. 18,00,000 will be paid to Executive Vice Chairman which includes Salary, Dearness Allowance, Perquisites and other allowances. It does not include contribution to provident fund, superannuation fund or annuity fund, gratuity or leave encashment.

(C)

**I GENERAL INFORMATION:**

1. Nature of Industry: The Company is operating in Real Estate and Hospitality Industry.
2. Date of Commencement of commercial production: 14.05.1992
3. Financial Performance:
  - i. Turnover – Rs.491.74 lacs
  - ii. Profit /Loss (Before Tax) Rs.92.26 lacs
  - iii. EPS Rs.2.18
4. Export Performance and net foreign exchange collaborations: N.A
5. Foreign Investments or collaborations: N.A

**II INFORMATION ABOUT THE APPOINTEE:**

6. Background Details:

- |      |               |   |                           |
|------|---------------|---|---------------------------|
| v    | Name          | : | Basant Kumar              |
| vi   | Date of Birth | : | 12.02.1930 Age (85 Years) |
| vii  | Qualification | : | B.Sc (Engg) MIE           |
| viii | Occupation    | : | Business                  |

7. Past Remuneration:

Rs. : NIL

8. Recognition, Job Profile and his Suitability :

He has been in the business of construction for the last 65 years. He is a Management Wizard and Visionary. He is the person who gave the club concept & corporate hospitals to the City of Ahmedabad.

9. Remuneration proposed:

Not Exceeding Rs. 18.00 Lacs per annum

10. Comparative Remuneration Profile: It is not possible to give comparison of peer group as Company has two key activities of Real Estate and Hospitality.

11. Pecuniary Relationship with company or managerial personnel: No

**VI OTHER INFORMATION:**

1. Reasons for loss or Inadequate Profits: General recession in the industry
2. Steps taken or proposed to be taken for improvement: We are spending substantial amount on development activity; registering on property web portals and will offer incentives to potential buyers
3. Expected increase in productivity and profits in measurable terms: We expect 40 to 50 percent in the turnover as well as profitability.

**III DISCLOSURE:**

The remuneration not exceeding Rs. 18,00,000 will be paid to Executive Chairman which includes Salary, Dearness Allowance, Perquisites and other allowances. It does not include contribution to provident fund, superannuation fund or annuity fund, gratuity or leave encashment.

## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report together with the Audited Accounts of the Company for the Company for the year ended, 31<sup>st</sup> March 2014.

### 1. Financial Results

₹ in Lacs

Particulars	2013-2014	2012-2013
Income for the Year	491.74	699.03
Profit before interest, depreciation and tax (PBIDT)	198.52	173.99
Less:		
Financial Expenses	50.75	46.21
Depreciation	55.51	57.08
<b>Profit / (Loss) before tax</b>	<b>92.26</b>	<b>70.70</b>
Exceptional items : Earlier years short Provision of Depreciation	0.00	40.86
<b>Provision for taxation</b>		
(i) Current Income Tax,	27.40	28.48
(ii) Deferred Tax	(7.52)	(5.36)
<b>Profit after tax</b>	<b>72.38</b>	<b>6.72</b>
Add / (Less) : Prior Period Adjust.	0.00	0.00
Profit available for appropriation	72.38	6.72
<b>Appropriations</b>		
Opening Balance of Profit & Loss Account	453.51	434.28
Less : Proposed Dividend on Equity shares	-	-
Less : General Reserve	-	-
<b>Net Balance Carried forward to Balance Sheet</b>	<b>72.38</b>	<b>6.72</b>

### 2. DIVIDEND:

With a view to conserve the resources, your Directors do not recommend any dividend for the financial year 2013-2014.

### 3. OPERATIONS & FUTURE PROJECTS:

During the year under report, turnover has decreased from Rs.699.03 lacs to Rs. 491.74 lacs but the profit after tax has gone up from Rs. 6.72 lacs to Rs. 72.38 lacs. During the financial year 2012-13, the Company adjusted Rs. 40.86 lakhs towards short provision for depreciation for the earlier years which resulted in the meager profit after

tax. However, during the year under report, both Gross Profit and Profit after Tax registered increase. Thanks to the Management's endeavor to improve the performance of the Company even during the slow down phase in the Real Estate Sector.

At present, we have a scheme of plotting at Sarovar Village at Rethal which is an oasis of tranquility and serenity; just a stone's throw away from Nal Sarovar Lake. Nal Sarovar Lake is India's one of the largest wetland bird sanctuaries. In spite of recession in the last two years, we have received healthy bookings. Over two hundred sale deeds have already been executed. Most of the plots have been given water connection. 80 per cent of the plots' fencing has been completed. The work on streetlights and construction of roads is in progress and it is likely to be completed by the end of current financial year.

We hope the buyers sitting at the fence will bounce back during the coming festive season to uplift their sentiments, aroused by the formation of NDA Government at the Centre headed by Narendra Modi.

We have leased out Greenwood Lake Resort and Club to Shangar Hospitality with effect from June, 2013 at an annual rent of Rs. 1.75 crores. Till October, 2013, we received monthly rent regularly. However, from November, 2013 onwards, Shangar Hospitality advised us to kept on hold the cheques given by them towards monthly rent as they have spent huge amount on repairs and renovation viz. Development Expenses much against the provisions of Lease Deed and without any consent from the Company.

As per Lease Agreement, we have agreed that in a span of 10 years, Shangar Hospitality may incur Rs. 3.00 crores on renovations subject to our written approval and the same would be repaid/adjusted from monthly rentals in a phased manner during the tenure of lease i.e. in 10 years. We gave sufficient time to Shangar Hospitality to come to the terms of the Lease Deed. Since there was no response, we deposited the cheques from November, 2013 onwards in our different bank accounts. However, we did not receive the payment and the cheques were bounced back. Therefore, we have filed a complaint u/s 138 of the Negotiable Instruments Act. We have also given notice to Shangar Hospitality for termination of lease w.e.f. 31.03.2014.

We have also applied to City Civil Court for arbitration vide application No. 407 of 2014 u/s 9 of the Arbitration & Conciliation Act, 1996 for recovery of outstanding rents and other payments and handing over the possession of property to the Company.

### FUTURE PROJECTS

**TPM – 3 BHK Lake Side Resort Living Apartments with TOTAL PEACE OF MIND**

We are planning to launch our exclusive and innovative, first of its kind project in Ahmedabad. This is an ideal scheme for working couples, senior citizens and NRI's who come to their HOME LAND – India – for peace and tranquility. The apartment scheme offers round the clock services viz. housekeeping and cleaning, food, 24 hour in house cab service, in house medical centre with 24 hours ambulance service and above all, all the time security and surveillance.

We have applied for NA and it is expected that the same will be received very shortly and we will commence the construction immediately after getting all the required approvals from the respective authorities.

#### 4. INDUSTRIAL RELATIONS:

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels. Measures have been taken for Human Resources Development.

#### 5. DIRECTORS:

The company had, pursuant to the provisions of clause 49 of the Listing Agreement entered into with stock exchange, appointed Mr. Padmanabha V Iyer, Virendra Singh M Rawat and Mr. Sudhir Kulkarni as Independent Directors of the Company. As per Section 149(4) of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors.

In accordance with the provisions of the section 149 of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the notice of the forthcoming Annual General Meeting of the Company.

The Company has received declarations from all the independent Directors of the Company confirming that they meet with the criteria of independent Directors as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the listing agreement with the Stock Exchanges.

Pursuant to requirements of the Companies Act, 2013 and Articles of Association of the Company, Mrs.Meeta Mathur is liable to retire by rotation and being eligible offer herself for re-appointment. Board recommends her appointment as Director of the Company.

During the year Mr. Bharat Kumar Lekhi and Mr. Umesh Lavingia were appointed as Additional Directors of the Company. According to the provisions of Section 161 of the Companies Act, 2013, they hold office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Mr. Bharat Kumar Lekhi and Mr. Umesh Lavingia as Directors along with the deposit of requisite amount. Further, the Board of Directors of the Company had, vide resolution passed at their meeting held on 19.06.2014, appointed Mr. Bharat Kumar Lekhi as Managing Director and Mr. Umesh Lavingia as Vice Chairman of the Company for a period of 3 years.

Brief details of Directors proposed to be appointed/re-appointed as required under clause 49 of the Listing Agreement are provided in the Notice of Annual General Meeting forming part of this Annual Report.

#### 6. INSURANCE:

The assets of the Company have been adequately insured.

#### 7. PUBLIC DEPOSITS:

During the period under review, the Company has not mobilized resources by way of deposits from the public.

#### 8. CORPORATE GOVERNANCE REPORT:

Pursuant to clause 49 of the Listing Agreements of the Company with the Stock Exchanges, the Management Discussion & Analysis Report, Report on Corporate Governance and certification by the Chief Executive Officer (CEO)/MD and Chief Financial Officer (CFO) confirming compliance by all the Board Members and Senior Management personnel with Company's Code of Conduct are made a part of the Annual Report. A certificate regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49, is attached to this report.

#### 9. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. that in the preparation of the Account for the financial year ended 31<sup>st</sup> March,2014, the applicable standards have been followed along with proper explanation relating to material departures;



2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2014 and of the profit of the Company for the year ending on that date;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other Irregularities;
4. that the Directors have prepared the accounts for the financial year ended on 31<sup>st</sup> March, 2014 on a going concern basis.

#### 10. AUDITOR AND ITS OBSERVATION:

M/s Anil S Shah & Co., Chartered Accountants (Firm Registration No: 100474W) retire at the conclusion of the ensuing Annual General Meeting. The said statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The necessary resolution seeking their approval for re-appointment of statutory Auditor has been incorporated in the notice convening the Annual General Meeting.

The Board has duly reviewed the statutory Auditor's Report on the Accounts. The observations and comments, if any appearing in the Auditor's Report are self-explanatory and do not call for any further explanation/clarification by the Board of Directors.

#### 11. SUBSIDIARY COMPANY:

The Company has one Subsidiary Company i.e Sterling Resorts Private Limited. A statement containing brief financial details of the subsidiary is included in the Annual Report.

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

#### 12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under section 217 (1) (e) of the Companies Act, 1956 and the rules made therein, the concerned particulars relating to, the Company does not consume Energy in its business so matter of Energy Conservation is not applicable to Company. Company does not engage in such business to undertake any Technology Absorption. However to save the power, it has installed Solar Water Heating Systems and also installed CFL lamps at its Resort. Company does not have any Export Earnings in the Financial Year 2013-14; hence particulars of Foreign Exchange are not applicable to the Company.

#### 13. PARTICULARS OF EMPLOYEES:

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

#### 14. ACKNOWLEDGEMENT:

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

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

**For and on behalf of the Board  
Sterling Greenwoods Limited**

Place : Ahmedabad

Date : 13<sup>th</sup> August, 2014

**B. Kumar  
Chairman**

## INDUSTRY STRUCTURE AND DEVELOPMENT

### The Company:

The Indian economy had been suffering from lower growth and various structural weaknesses as it entered 2013-14 and these shortcomings continued throughout the fiscal year. Real GDP growth for 2013-14 is estimated to be 4.9% with industrial growth slipping to a mere 0.7% coupled with inflationary trends. Efforts made by UPA II government did not yield any good result and almost all the sectors of the economy embraced negative growth.

Reflecting the trends of the overall economy, the year was not favorable for the Real Estate Sector and your Company engaged in building townships since 1965 could not remain aloof from the environment all around.

### Opportunities:

Growth depends on the policies adopted by the governments to facilitate investments in the economic and industrial sectors. For tomorrow's growth is defined by today's investments. The boom in economy increases purchasing power of its people and creates demand for Real Estate Sector along with others.

Real Estate Sector is the second largest employer after agriculture in India. Therefore, fullest cooperation of the governments is a pre-requisite for the Real Estate Sector to become an economically viable sector and to contribute to GDP.

Real Estate Sector in Gujarat has been quite modest for the last few years. However, there is a positive change in the outlook of investors after Narendra Modi assuming the office of the Prime Minister. There is an all round positivity with political stability. It is expected that customers who were undecided to buy or not to buy and were waiting for the right time and opportunities to buy, will make a decision and contribute for healthy growth of the Real Estate Sector in Gujarat.

However, as a buyer, one always looks at what value-additions or propositions can be obtained during any buying decision. Incentives work well if they add value to the property or lessen the financial burden on the buyer in one way or the other. Incentives include offers such as, a waived off stamp duty, registration and VAT or free reserved parking which is otherwise a chargeable component. It is imperative for the developers to make sufficient noise for offers made by them to the buyers where there is a wide gap between the price of a product and the prospective buyers' pocket.

Your Company has already tried to offer incentives in the form of ALTO Car and 100 grams Gold. We will adopt the mixed strategy of sales promotion through electronic and print media and the web property portals to woo the customers in our favor.

Development of the Real Estate Sector depends upon the development of other sectors of the economy. New initiatives taken by the NDA government at the Centre viz. opening foreign direct investment in Railways and Defence is likely to encourage an increasing number of countries to invest in India. This will result in, lot of outside companies entering Gujarat to do various types of business and this in turn will increase the property consumption in the state.

Gujarat is the second most industry friendly state according to a Planning Commission sponsored study. It is also the Petro Capital of India. The state serves as an ideal investment destination. Fast track developments in the Ahmedabad Dholera Region and augmenting of Vatva Industrial Estate as Mega Industrial Estate (proposed for consideration under Delhi Mumbai Industrial Corridor DMIC) will open the floodgates of investment and opportunities making Real Estate Sector, the growth engine of the future for all the stakeholders.

### Sanand – The Automobile Hub:

Located near the city of Ahmedabad, about 30 kilometers, Sanand, has become one of the booming entrepreneurial centers in India and offers the following competitive incentives to companies seeking to set up operations within Sanand region:

- Income Tax Incentives
- 10 year corporate tax holiday on export profit – 100% for initial 5 years and 50% for the next 5 years
- Exemption from dividend distribution tax
- Indirect Tax Incentives
- Zero customs duty
- Zero excise duty
- Exemption from central sales tax
- Exemption from service tax

Tata's Nano plant is already in operation at Sanand. Ford Motors and PSA Peugeot Citroen of France are going to set up their plants very shortly. Hitachi is manufacturing electronic products in joint venture with their Japanese collaborator. Boll Corporation of USA/Europe is establishing its unit for Can manufacturing. Many pharma industries – Cadila Healthcare are going to be a part of the Great industrial Centre at Sanand.

Your Company's Township at Sarovar Village on Sanand-Nal Sarovar Road, is likely to be a goldmine for all the stake holders of the Company.

#### **Threats:**

Slow approval process for getting housing development related approvals, inordinate delays in grant of NAs, high stamp duties, every government's ever increasing hunger and thirst of squeezing more and more from the Real Estate Sector by way of imposing Service Tax and Vat are some of the threats which the Real Estate Sector has to face.

#### **The Real Estate Regularity Bill, 2011:**

The Real Estate Regularity Bill, 2011 introduced in Rajya Sabha in August, 2013 in the regime of UPA II and referred to Standing Committee on Urban Development, has lapsed. The Bill contained strict penalties/punishment to be imposed on developers if they fail to comply with certain provisions. It also made it mandatory for developers to launch projects only after acquiring all the statutory clearances from relevant regulatory authorities and the establishment of an Appellate Tribunal to adjudicate disputes and hear appeals from the decisions or orders of the Authorities and the other incidental matters.

Now, the new regime headed by Mr. Narendra Modi, is planning to revise the Bill by incorporating suggestions from the various states and the industry, says Mr. Venkaiah Nadu, the Minister for Urban Development and Housing and Poverty Alleviation. As per his statement, the Government had heard the views of CREDAI (real estate industry association) on this Bill and FICCI and ASSOCHAM. His statement is laudable that private participation of private sector is important.

#### **Land Acquisition, Rehabilitation and Resettlement Act, 2013:**

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, commonly referred to as the Land Acquisition Act, came into effect from January 1, 2014.

The Bill provides for just and fair compensation to farmers. As per the Bill, the developers will need the consent of up to 80 per cent of people whose land is acquired for private projects and of 70 per cent of the landowners in the case of public-private partnership projects. It also provides for compensation as high as four times more than the existing practice in rural areas and two times in urban areas besides enactment of multiple regulatory authorities.

#### **Environmental Clearance from MoEF:**

MoEF has made Environmental Clearance mandatory for real estate projects under the provisions of Environment (Protection) Act, 1986.

Any real estate project above 20,000 sqm or any new/expansion of existing project or changes in usage of projects, etc. need to take Environment Clearance from Ministry of Environment & Forests (MoEF).

#### **The Future:**

Rapid industrialization, growing trend of nuclear families, rising income levels and the Gujarat housing some of the largest businesses in India, all these factors are likely to fuel the demand for housing units in the times to come.

With liberal norms for FDI and tax incentives for REITs (real estate investment trusts), focus on low cost housing, infrastructure and budgetary allocation of Rs. 7060 crores for development or upgradation of 100 smart cities with promise to deliver pucca houses for all by 2022, one is hopeful that good days are in store for the future for the Real Estate Sector.

Cut in home loan interest rates and exemption of interest paid on home loan upto Rs. 1.50 lakhs and raising the savings levels u/s 80C of the Income Tax Act, provided in the Union Budget for this year indicate "ACHHE DIN AANE WALE HAIN".

#### **Outlook on Risks and Concerns:**

Your Company is exposed to a number of risks such as economic, regulatory, taxation and environmental risks and also the investment outlook towards Indian Real Estate Sector. Some of the risks that may arise in its normal course of its business and impact its ability for future developments include inter-alia credit risk, liquidity risk, regulatory risk, commodity inflation risk and market risk.

## Financial Performance

	Year ended 31/03/2014 in Lacs ₹	Year ended 31/03/2013 in Lacs ₹
Income for the year was	491.74	699.03
The year's working shows a Gross Profit of	185.58	139.42
Out of which, Provisions have been made for :-		
Depreciation	55.52	57.08
Exceptional item (earlier years' short provision)	0.00	40.86
Provision for Taxation :		
(i) Current Income Tax	27.40	28.48
(ii) Deferred Tax	(7.52)	(5.36)
Previous year expenses	1.06	11.64
Profit after Income Tax	72.38	6.72

## INTERNAL CONTROL SYSTEM:

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

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

## INDUSTRIAL RELATIONS & HUMAN RESOURCE DEVELOPMENT:

Industrial relations continued to be harmonious and cordial throughout the year. The Company has always valued its human resources and believes in unlimited potential of each employee. The company employed 18 number of employees as on 31.03.2014.

## CAUTIONARY STATEMENT:

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

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

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Code of Governance

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

### 2. BOARD OF DIRECTORS

The Board represents an optimum combination of executive and non executive directors and is in conformity with the provisions of Listing Agreements of Corporate Governance. The Board of Directors of your Company comprises six directors and the category of the Directors as well as details of their directorship/membership in other companies/committees as on 31<sup>st</sup> March, 2014 is given below:

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

\* Mr. Ankit Mathur resigned as Managing Director on 01.10.2013

\*\*Mr. Bharat Kumar Lekhi appointed as additional director w.e.f 01.10.2013 and appointed as Managing Director w.e.f 01.11.2013

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

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

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

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

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

#### Certificate of Code of Conduct for the year 2013-14

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

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct under a certificate of Code of Conduct for the year 2013-14.

Place : Ahmedabad

Date : May 30, 2014

**Bharat Kumar Lekhi**  
Managing Director

A brief resume and the profile of directors retiring by rotation/ appointment of Managing Director, Executive Chairman, Executive Vice Chairman and Independent Directors at the ensuing Annual General Meeting of the Company is given in the notice of Annual General Meeting, annexed to this Annual Report

### 3. Board Procedure

During the financial year 2013-14, eight meetings of Board of Directors were held; the information to be made available to the Board as per Annexure IA forming part of Clause 49 of the Listing Agreement has been complied with. The Board Meetings are generally held at the Corporate Office of the Company in Ahmedabad. Calendar of the Board Meeting is fixed in advance for each year. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. The Directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion.

**Details of the Board Meetings held during the year 2013-14 are as follows:**

Sr. No.	Date of Board Meeting	Chairman
1	24 <sup>th</sup> April, 2013	Shri Basant Kumar
2	30 <sup>th</sup> May, 2013	Shri Basant Kumar
3	14 <sup>th</sup> August, 2013	Shri Basant Kumar
4	1 <sup>st</sup> October, 2013	Shri Basant Kumar
5	28 <sup>th</sup> October, 2013	Shri Basant Kumar
6	27 <sup>th</sup> December, 2013	Shri Basant Kumar
7	11 <sup>th</sup> February, 2014	Shri Basant Kumar
8	14 <sup>th</sup> March, 2014	Shri Basant Kumar

**Details of Attendance of the directors at the Board Meetings held during the year 2013-14 and at the last Annual General Meeting are given below:**

Sr. No.	Name of the Directors	No. of Board Meeting held while holding the office	No. of Board Meeting attended while holding the office	Attendance at last AGM
1	Shri Basant Kumar	8	8	Yes
2	Shri Ankit Mathur*	4	3	No
3	Smt. Meeta Mathur	8	6	No
4	Shri P.V.R.N. Iyer	8	6	Yes
5	Shri Virendra Singh Rawat	8	7	Yes
6	Shri Bharat Kumar Lekhi**	5	5	Yes

\* Resignation w.e.f. 01/10/2013

\*\* Appointment w.e.f. 01/10/2013

## The Details of Share holding of Directors

Name of the Director	No. of Shares held as on 31/03/2014
Mr. Basant Kumar	2054182
Mrs. Meeta Mathur	Nil
Mr. P.V.R.N. Iyer*	Nil
Mr. Virendra Singh Rawat*	Nil
Mr. Bharat Kumar Lekhi	200

\* Non Executive Directors

### 4. Audit Committee :

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

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

No.	Name	Designation
1.	Shri P.V.R.N. Iyer	Chairman
2.	Shri Virendra Singh Rawat*	Member
3.	Shri Bharat Kumar Lekhi	Member

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

Quorum of Committee is two members, including both the independent directors. Calendar of the meeting is fixed in advance for each year. The Committee met 4 times during the year under review. The Committee also met prior to finalization of accounts for the period ended on 31<sup>st</sup> March, 2014.

### Meetings of Audit Committee and attendance.

No.	Date of Meeting	No. of Members	Attendance
1.	30 <sup>th</sup> May, 2013	3	3
2.	14 <sup>th</sup> August, 2013	3	3
3.	1 <sup>st</sup> October, 2013	3	3
4.	28 <sup>th</sup> October, 2013	3	3
5.	11 <sup>th</sup> February, 2014	3	3

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

Audit Committee's terms of reference:

- a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the half yearly and annual financial statements before submission to the Board, focusing primarily on
  - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause(2AA) of Section 217 of the Companies Act, 1956
  - ii) any changes in accounting policies and practices
  - iii) major accounting entries based on exercise of judgment by management
  - iv) qualification in draft audit report

- v) significant adjustments arising out of audit
- vi) the going concern assumption
- vii) compliance with accounting standards
- viii) compliance with stock exchange and legal requirements concerning financial statements
- ix) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management, the quarterly financial statements before submission to the board for approval
- e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensuing compliance therewith.
- f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- g) Discussing with internal auditors, any significant finding and follow up thereon.
- h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i) Discussing with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j) Reviewing the Company's financial and risk management policies.
- k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Any other function(s)/responsibilities as may be delegated by the Board from time to time.
- m) To review mandatorily the following information :
  1. Management discussion and analysis of financial conditions and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by Management
  3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject of review by the Audit Committee.

## 5. Remuneration Committee:

As on 31<sup>st</sup> March 2014, the Remuneration Committee of the Board consists of the two independent Non Executive Directors and one Executive Director as specified below:-

No.	Name	Designation
1.	Shri P.V.R.N. Iyer	Chairman
2.	Shri Virendra Singh Rawat	Member
3.	Shri Bharat Kumar Lekhi	Member

During the year under review, one meeting of remuneration committee was held on 28.10.2013.

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

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

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



## Details of the Remuneration paid to the Executive Directors

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

No.	Name of the Directors	Remuneration Rs.
1.	Mr. Bharat Kumar Lekhi	6,09,113.00
2.	Mr. Ankit Mathur	6,00,000.00

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

## 6. Shareholders' Grievances Committee

The Committee looks into the redressal of shareholders and investors complaints. The functions and powers of this Committee include review and redressal of shareholders' and investors' grievances and to give approval to transfer, transmission or dematerialisation of shares. This Committee looks into complaints of non receipt of Balance Sheet, non receipt of declared dividend and matters relating to duplicate share certificate, deletion of name, splitting and consolidation of shares etc.

As on 31<sup>st</sup> March, 2014 Committee consists of following directors.

1. Shri P.V.R.N. Iyer — Chairman
2. Shri Virendra Singh Rawat — Member
3. Shri Bharat Kumar Lekhi — Member

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

## 7. General Body Meetings :

(i) The last three Annual General Meetings of the Company were held as under:

No.	Year	Location	Date	Time	Special Approval	Resolution
1.	2012-13	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi Ahmedabad.	30.09.13	11.30 a.m.	Appointment u/s 314 of the Companies Act, 1956	Special
2.	2011-12	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad.	27.09.12	11.30 a.m.	Nil	Nil
3.	2010-11	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad.	30.09.11	11.30 a.m.	Nil	Nil

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

- (ii) Whether any special resolution was passed last year through postal ballot – details of voting pattern  
During 2013-14 one special resolution was approved by the shareholders through Postal Ballot for lease of Sterling Resort
- (iii) Person who conducted the postal ballot exercise  
Mr. Ashwin Shah
- (iv) Whether any special resolution is proposed to be conducted through postal ballot  
At present, there is no such proposal.
- (v) Procedure for postal ballot  
As per Companies Act, 1956

## 8. Disclosures

- a. There have been no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interests of the Company at large. Audit Committee, reviews periodically significant related party transactions i.e. transactions of the Company, which are of material nature, with its directors or relatives or the Management that may have potential conflict with the interests of the Company at large. Details are provided in Note 37 to the Notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18
- b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- c. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No. 1 forming part of the financial statements.
- d. The Company has laid down procedure to inform the Board Members about the risk assessment and minimization procedure covering the entire gamut of business operations of the Company and the same has been reviewed by the Board during the year.
- e. The CEO (Managing Director) and the CFO have furnished a Certificate to the Board for the year ended on 31<sup>st</sup> March, 2014 in compliance with Clause 49 V of the Listing Agreements.
- f. The designated Senior Management Personnel of the Company has disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

## 9. Means of Communication:

### a. Quarterly Results:

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirement of the Listing Agreements. At present, Half Yearly Report is not sent to each household of shareholders.

### b. Any Website where displayed: [www.sterlinggreenwoods.com](http://www.sterlinggreenwoods.com)

## 10. Management Discussion & Analysis Report:

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

## 11. General Shareholders Information:

### a) Annual General Meeting

Date	Time	Venue
30 <sup>th</sup> September 2014	11.30 a.m.	Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad.

**(b) Financial Calendar (2014-15)**  
(tentative)

Annual General Meeting	: 30 <sup>th</sup> September 2014
Quarterly Results	
Quarter ending on June 30 2014	: Second week of August 2014
Quarter ending September 30 2014	: Second week of November 2014
Quarter ending December 2014	: Second week of February 2015
Annual Result of 2014-15	: Last week of May 2015

**(c) Book Closure Date :** 22<sup>nd</sup> September 2014 to 29<sup>th</sup> September 2014

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

Listing fees have been paid for the year 2014-15 as per the Listing Agreement with the respective Stock Exchanges.

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

**(f) Demate ISIN Number for NSDL & CDSL :** INE00398F01019

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

**(g) Share Transfer System :**

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

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

**(h) Distribution of Shareholding:**

Distribution of shareholding as on 31.03.2014 is given below:

No. of Equity Share held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	2496	86.93	412229	9.72
501 - 1000	193	6.83	169443	4.00
1001 - 2000	74	2.86	112229	2.65
2001 - 3000	28	0.90	74096	1.75
3001 - 4000	11	0.41	38168	0.90
4001 - 5000	17	0.66	83280	1.96
5001 - 10000	20	0.59	143498	3.38
10001 - 20000	11	0.34	141235	3.33
Above 20000	12	0.48	3065510	72.31
<b>GRAND TOTAL</b>	<b>2862</b>	<b>100</b>	<b>4239688</b>	<b>100</b>

• **Category of shareholders as on 31<sup>st</sup> March 2014 :**

Category	No. of Shares held	Percentage held
Promoter Holding		
a Indian Promoters : Individuals / HUF	28,10,686	66.29
b Bodies Corporate	0	0
c Foreign Promoters :	0	0
Financial Institutions/ Banks/ Mutual Funds	0	0
Resident Individuals & Corporates	14,11,206	33.29
NRI's	17,796	0.42
<b>Grand Total</b>	<b>42,39,688</b>	<b>100.00</b>

(i) **Dematerialization of Shares and Liquidity:**

36,93,588 equity shares of the Company are held in a dematerialised form with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) as on 31<sup>st</sup> March 2014.

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

(j) **Outstanding GDRs/ ADRs/ Warrants and Convertible instruments, Conversion Date and likely impact on equity:**

Not Applicable.

(k) **Plant Location :**

Not Applicable

(l) **Correspondence with the Company:**

Address for correspondence with the Company is:

**Sterling Greenwoods Ltd.**

Sunrise Center, Opp. Drive-in-Cinema, Ahmedabad – 380054.

Tel: (079) 26851680 / 26850935 Fax: (079) 26854773

Email Id: sgwlr@yahoo.com

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Sterling Greenwoods Limited

We have examined the compliance of **Corporate Governance by Sterling Greenwoods Limited ("the Company")** for the year ended on **31st March 2014** as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 the Clause 49 of the above mentioned Listing Agreement.

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

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2014

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

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

## CEO / CFO CERTIFICATE TO WHOMSOEVER IT MAY CONCERN

We certify to the Board that :

- (a) We have reviewed financial statement and the cash flow statement for the year and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee :
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instance of significant fraud of which they have become aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system.

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2014

**Bharat Kumar Lekhi**  
Chief Executive Officer

**Kantilal Panchal**  
Chief Finance Officer

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Sterling Greenwoods Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sterling Greenwoods Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2014

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



## ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 under the heading of  
“report on other legal and regulatory requirements” of our report of even date)

### I. Fixed Assets: -

The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

Physical verification of fixed assets except leased out resort's assets have been carried out by the Management at the end of the year (not carried out due to dispute) which in our opinion is at reasonable intervals having regard to the size of the Company and nature of its assets. Further we have been informed that reconciliation of assets physically verified with the fixed assets register is in progress and according to information and explanation, given no material discrepancies have been noticed on such verification by the Management.

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

### II. Inventories :-

- (a) As explained to us, the stocks of land and stores & consumables have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of stock records, in our opinion the stock records, in our opinion, the Company is maintaining proper records of inventory/stock. No material discrepancies have been noticed on physical verification of inventory/stocks as compared to book records.

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

- (i) There is one Company covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted loans. The maximum amount involved during the year was ₹. 474824/- and the year-end balance of loans granted to such party was Rs. 3889948/-.
- (ii) The Company has granted the said loan to subsidiary Company interest free and no stipulation has been made for re-payment, prima facie not prejudicial to the interest of the Company.
- (b) According to information and explanations given to us, the Company had taken loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. Particulars are as under.

Particulars	Amount (₹)
Taken or Accepted in year	NIL
Repaid During the year	58,10,890/-
Maximum Amount involved	76,96,570/-
Closing Balance	22,00,502/-

- (i) 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) The loans taken were re-payable on demand. The re-payment of the principal amount was as demanded and payment of interest has been regular.
- (iii) As per the information and explanations given to us, the Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest where applicable.

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

of internal control structure. The objectives 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 principles. Because of inherent 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.

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 for the purchase of Inventories, fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in the internal control.

- V. (a) According to the information given to us, there are transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 and they are so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements (including transactions of finance) exceeding the value of rupees five lakhs during the year, as per information and explanations given by the Management, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has accepted deposits falling within the meaning of the provisions of sections 58A and 58AA of the Companies Act, 1956 from the directors and relatives on stipulation of the lenders bank of the Company in line with the Companies (Acceptance of Deposits) Rules, 1975

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

- VII. In our opinion, the Company has availed services of professional firm of chartered accountants for internal audit, the system commensurate with its size and nature of its business.
- VIII. "We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost record under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained." We have not, however made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- IX. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.

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

- (b) According to the information and explanation given to us and records of the Company examined by us, there were disputed amounts payable in respect of Service Tax as follows:

Service Tax Demand disputed and pending with Appellate Tribunal:-

- Against Resort & Hotel Business: Rs. 2303073/-  
(The Company has deposited Rs. 1175000/-)
- Service Tax Penalty Disputed and pending with Appellate Tribunal: -
  - Against Real Estate Business: Rs. 3410080/-
  - Against Resort & Hotel Business: Rs. 3983113/-

- Service Tax Demand Disputed and pending with Appellate Tribunal: -  
- Against Resort & Hotel Business: Rs. 482101/-  
(The Company has deposited Rs. 300000/-)
- Service Tax Demand Disputed and pending with Add Comm : -  
- Against Resort & Hotel Business: Rs. 776572/-  
(The Company has deposited ' . 450000/-)  
- Against Resort & Hotel Business: Rs. 421367/-  
(The Company has deposited ' . 200000/-)
- Service Tax Penalty pending with Appeal with Add. Comm : -  
-Against Resort & Hotel business : Rs. 421367/-

Subject to above, the Company has no undisputed amounts payable in respect of Income Tax, Sales/VAT Tax, Wealth-Tax, Service Tax, Customs Duty and Excise Duty, Cess which have remained outstanding as on 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.

- X.** The Company has no accumulated losses during the year and it has not incurred cash losses during the year or financial year immediately preceding.
- 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(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV.** The Company is not dealing or trading in shares, securities, debentures and other investments.
- XV.** The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
- XVI.** In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained,
- XVII.** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- XVIII** During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 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.

According to information and explanations given to us and based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

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

**ANIL S. SHAH**  
(Partner)

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

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2014

## BALANCE SHEET AS AT 31ST MARCH 2014

	Particulars	Note	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' Funds</b>			
	(A) Share Capital	2	42,859,960	42,859,960
	(B) Reserves and Surplus	3	189,213,691	183,407,883
	(c) Money received against share warrants		-	-
<b>(2)</b>	<b>Share application money pending allotment</b>			
<b>(3)</b>	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	4	17,978,001	21,769,491
	(b) Deferred tax liabilities (Net)	5	-	-
	(c) Other Long term liabilities	6	17,891,435	12,661,645
	(d) Long term provisions	7	2,730,577	2,730,577
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	8	31,695,945	15,702,030
	(b) Trade payables	9	2,929,340	8,309,051
	(c) Other current liabilities	10	57,809,654	57,630,141
	(d) Short-term provisions	11	1,800,000	1,284,235
	<b>Total</b>		<b>364,908,603</b>	<b>346,355,013</b>
<b>II.</b>	<b>Assets</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	(a) Fixed assets	12		
	(i) Tangible assets		239,604,378	242,988,199
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		4,897,934	3,157,473
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	13	7,748,869	7,748,869
	(c) Deferred tax assets (net)	14	2,538,573	1,786,795
	(d) Long term loans and advances	15	7,698,784	7,223,960
	(e) Other non-current assets	16	53,464,416	20,714,965
<b>(2)</b>	<b>Current assets</b>			
	(a) Current investments	17	-	-
	(b) Inventories	18	13,696,767	13,092,881
	(c) Trade receivables	19	17,351,691	43,741,581
	(d) Cash and cash equivalents	20	3,546,746	2,233,308
	(e) Short-term loans and advances	21	3,373,743	3,666,982
	(f) Other current assets	22	10,986,702	-
	<b>Total</b>		<b>364,908,603</b>	<b>346,355,013</b>

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

As per our report of even date,

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

**ANIL S. SHAH**  
(Partner)

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

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

FOR AND BEHALF OF BOARD

**B. KUMAR**  
Chairman

**BHARAT KUMAR LEKHI**  
Managing Director

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AT 31ST MARCH, 2014

No.	Particulars	Note	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
I.	Revenue from Operations	23	29,172,957	66,253,821
II.	Other Income	24	20,000,954	3,648,736
III.	<b>Total Revenue (I +II)</b>		<b>49,173,911</b>	<b>69,902,557</b>
IV.	Expenses :			
	Cost of Land consumed	25-A	2,368,526	619,097
	Food,Beverages & Consumables consumed	25-B	451,888	9,648,406
	Schemes Development Expenses	25-C	552,173	2,290,073
	Increase/(Decrease) in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1,302,097)	956,024
	Employee benefit expense	27	9,761,514	18,257,923
	Financial costs	28	5,075,236	4,620,823
	Depreciation and amortization expense	12	69,83,509	7,140,180
	Less: Transfer to Revaluation Reserve		(1,431,933)	(1,431,933)
	Other expenses	29	17,489,544	20,732,440
	<b>Total Expenses</b>		<b>39,948,360</b>	<b>62,833,033</b>
V.	<b>Profit before exceptional &amp; extraordinary items and tax</b>	<b>(III - IV)</b>	<b>9,225,550</b>	<b>7,069,524</b>
VI.	<b>Exceptional Items</b>			
	Short provision of depreciation of earlier years	12.1	-	9,921,439
	Less: Earlier years upliftment transferred to Revaluation Reserve	12.1	-	(5,835,398)
VII.	Profit before extraordinary items and tax		-	2,983,483
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax</b>	<b>(VII - VIII)</b>	<b>9,225,550</b>	<b>2,983,483</b>
X.	Tax expense :			
	(1) Current tax			
	Income tax		2,739,587	2,847,502
	(2) Deferred tax		751,778	535,959
XI.	Profit(Loss) for the period from continuing operations	(X - XI)	<b>7,237,741</b>	<b>671,940</b>
XII.	<b>Profit/(Loss) for the period</b>		<b>7,237,741</b>	<b>671,940</b>
XIII.	Earning per equity share of ₹ 10/- Basic and Diluted		1.71	0.16

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

As per our report of even date,

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

**ANIL S. SHAH**  
(Partner)

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

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

FOR AND BEHALF OF BOARD

**B. KUMAR**  
Chairman

**BHARAT KUMAR LEKHI**  
Managing Director

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

## CASH FLOW STATEMENT FOR THE YEAR 2013-2014

PARTICULARS	2013-14 AMOUNT (₹)	2013-14 AMOUNT (₹)	2012-13 AMOUNT (₹)	2012-13 AMOUNT (₹)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit/(Loss) before tax &amp; extraordinary items</b>		<b>9,225,550</b>		<b>2,983,483</b>
Adjusted for :				
Depreciation	5,551,576		5,708,247	
Dividend received	(125,130)		(125,130)	
Loss on Sale of Asset	377,170		55,000	
Profit on Sale of Asset	(954)		(47,954)	
Interest (NET)	3,015,534		3,105,603	
Exceptional Item (Depreciation)	-		4,086,041	
		<b>8,818,196</b>		<b>12,781,807</b>
<b>Operating Profit before working capital changes</b>				
<b>Adjustments For :</b>				
Inventory	(603,886)		849,508	
Trade Receivables	26,389,890		(9,483,031)	
Non-Current Assets	(22,218,280)		(189,030)	
Repayment of Short Term Loans & Advances	293,239		(336,421)	
Other Long Term Liabilities	5,229,790		(659,958)	
Trade Payables	(5,379,711)		3,484,740	
Other Current Liabilities	179,513		(6,784,870)	
Short Term Provisions	515,765		1,036,550	
Other Current Assets	(10,986,702)		-	
Short Term Borrowing	15,993,915	9,413,533	8,152,461	(3,930,051)
Direct Taxes Paid		(2,739,587)		(2,847,502)
<b>Net Cash flow from operating activities (A)</b>		<b>24,717,692</b>		<b>8,987,737</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(4,088,902)		(3,383,004)	
Capital WIP	(1,740,462)		(702,274)	
Sale of Fixed Assets	113,000		436,750	
Fixed Deposits	(10,531,171)		(2,448,671)	
<b>Net Cash used in investing activities (B)</b>		<b>(16,247,535)</b>		<b>(6,097,199)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Long term loans & advances	(474,824)		(422,885)	
Repayment of Long Term borrowing	(3,791,491)		(54,648)	
Dividend Received	125,130		125,130	
Interest Paid	(5,061,432)		(4,597,771)	
Interest Received	2,045,898		1,492,168	
<b>Net Cash in Flow from Financing Activities (C)</b>		<b>(7,156,719)</b>		<b>(3,458,006)</b>
<b>Net Increase in cash and Cash Equivalent (A+B+C)</b>		<b>1,313,438</b>		<b>(567,468)</b>
<b>Cash &amp; Cash Equivalents as at 1/04/2013 (Opening Bal.)</b>		<b>2,233,308</b>		<b>2,800,776</b>
<b>Cash &amp; Cash Equivalents as at 31/03/2014 (Closing Bal.)</b>		<b>3,546,746</b>		<b>2,233,308</b>

Notes to the Cash Flow Statement for the year ended on 31.03.2014

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

As per our Report of even date attached

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

For and on Behalf of the Board

**ANIL S. SHAH**  
(Partner)

**(B. KUMAR)**  
(Chairman)

**(BHARAT KUMAR LEKHI)**  
(Managing Director)

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2014

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED On 31.03.2014

### NOTE NO : 1 : SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The accounting policies have been consistently applied by the Company and are in consistent with those used in previous year.

- b) Use of Estimates:

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

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

#### 1.2 Disclosure of Accounting Policies

The Accounting Principles and Policies are 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 Policies excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during the year.

#### 1.3 Valuation of Inventories

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

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

#### 1.4 Cash Flow Statement

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

#### 1.5 Contingencies and Events occurring after Balance Sheet date.

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

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

1	<p>Net Profit for the period</p> <p>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.</p>
2	<p>Prior Period items: All material items of Income/Expenditure pertaining to prior period and expenses to subsequent period are accounted separately.</p>
3	<p>Extra ordinary items: NIL</p>
4	<p>Exceptional Items: Exceptional items are those items which occur due to error or omission relating to earlier years and of material in nature.</p>
5	<p>Accounting Policies</p> <p>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.</p>

## 1.7 Depreciation Accounting

- a) The Gross Block of fixed assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.
- b) Depreciation on fixed assets is provided on '**Straight Line Basis**' at the rate prescribed in Schedule XIV to the Companies Act, 1956. On additions of assets, the depreciation is charged at full rate on additions made before 30 September 2013. The addition made afterwards is charged at half rate.
- c) Assets individually costing less than or equal to Rs. 5000/- are fully depreciated in the year of purchase.

## 1.8 Revenue recognition

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

### (ii) Recognition of revenue from sale of land

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

### (iii) Dividend income

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

### (iv) Interest income

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

## 1.9 Accounting of Fixed Assets

### Tangible assets

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

Borrowing cost directly attributable to acquisition of fixed assets which takes substantial period of time to get ready for its intended use, are also included to the extent they relate to the period till such assets are ready to be put to use.

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



## 1.10 Accounting for Investments:-

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

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

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

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

## 1.11 Accounting for retirement benefits

- (i) Retirements benefits, in the form of provident fund are defined contributions, are charged to the statement of profit and loss of the year when the contributions to provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.
- (ii) In respect of Gratuity, the Company is providing on cash basis, as and when they fall due and paid, is charged to statement of profit and loss of the year.
- (ii-a) Further as per approved actuary report, the actuarial valuation of the Gratuity payable as on 31.03.2014 is Rs.601910/- (previous year Rs. 1388309/-).

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

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

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

## 1.12 Borrowing cost

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

## 1.13 Leases

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

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

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

## 1.14 Consolidated Financial Statements

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

## 1.15 Accounting for Taxes on Income

Tax expenses comprise of current and deferred tax.

Current Tax is measured at the amount expected to be paid to/recovered from the revenue authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income capable of reversal stat in one or more subsequent periods are recorded as a deferred tax asset or a deferred tax liability.

They are measured using the substantively enacted tax rates and tax laws as on the balance sheet date. Deferred tax assets are recognized only when there is a reasonable certainty that sufficient future taxable income will be available against which they will be realized. Where there is a carry forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence of availability of taxable income against which such deferred tax assets can be realized in future.

## 1.16 Impairment of Assets

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

## 1.17 Provisions,Contingent Liabilities and Contingent Asset Provisions

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

### Contingent liability

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

The Company does not recognise contingent liability but disclose its existence in the financial statements

### • Disclosure required under the Companies Act, 1956

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

Particulars	This Year (₹)	Last Year (₹)
Remuneration	1245342	2686500
Contribution to Superannuation Fund	Nil	Nil
<b>Total</b>	<b>1245342</b>	<b>2686500</b>

## NOTES TO BALANCE SHEET

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 2 Share Capital</b>		
Authorised : 50,00,000 Equity Shares of ₹ 10/- Each	50,000,000	50,000,000
Issued 4322788 Equity Shares of ₹ 10/- Each		
Subscribed and fully paid up 4239688 Equity Shares of ₹ 10/- Each	42,396,880	42,396,880
Forfeited Equity Shares 71600 of ₹ 10/- Each	463,080	463,080
	42,859,960	42,859,960

2.1 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	42,39,688	42,39,688
Add : Shares issued	-	-
Less : Shares cancelled	-	-
Equity Shares at the end of the year	42,39,688	42,39,688

2.2 Terms attached to Equity Shares :

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

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

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

2.3 The details of Shareholders holding more than 5% shares

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Smt. Meeta Mathur	-	-	778155	18.35
Shri B. Kumar	2054182	48.45	715028	16.87
Smt. Kusum B. Kumar	646204	15.24	646204	15.24
Smt. Meeta Mathur Jt. Shri B. Kumar	-	-	538720	12.71

2.4 As per the records of the Company including its Register of Shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of the shares.

2.5 Details of forfeited shares :

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amt. Originally paid up	No. of Shares	Amt. Originally paid up
Equity shares with voting rights	71600	463080	71600	463080
Equity shares with differential voting rights	0	0	0	0

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 3 Reserves &amp; Surplus</b>		
<b>(A) Revaluation Reserve</b>		
Balance as per last year	138,056,746	145,324,077
Less : Short Provision of Up-lift dep. of earlier years (Refer Note 12.1)	-	(5,835,398)
Less : Up-lift dep. Transfer from P & L A/c.	(1,431,933)	(1,431,933)
<b>Balance</b>	<b>136,624,813</b>	<b>138,056,746</b>
<b>(B) Surplus in the Statement of Profit &amp; Loss</b>		
As at Commencement of the Year	45,351,137	43,428,361
Add : Deferred Tax Asset for the earlier years (Refer Note 14.1)	-	1,250,836
<b>Balance</b>	<b>45,351,137</b>	<b>44,679,197</b>
Add : Transferred from Profit & Loss Account for the year	7,237,741	671,940
<b>Net Surplus as per Statement of Profit &amp; Loss for the year</b>	<b>52,588,878</b>	<b>45,351,137</b>
<b>TOTAL RESERVES AND SURPLUS (A + B)</b>	<b>189,213,691</b>	<b>183,407,883</b>

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 4 Long-Term Borrowings</b>		
<b>A) Secured Loans</b>		
<b>FROM BANKS</b>		
Rajkot Nagarik Sahakari Bank	3,990,588	7,806,296
Canara Bank	17,196,626	-
Vehicle Loans (Refer Note : 4.1)	940,447	1,381,018
Less : Current maturity of long Term Debt (Refer Note 10.1)	(6,350,162)	(5,242,568)
<b>Long Term Loans - Others</b>	-	-
<b>B) Unsecured Loans</b>		
<b>Long Term Loans - Others</b>		
Deposit from Directors & Directors' Relatives	2,200,502	17,824,745
	<b>17,978,001</b>	<b>21,769,491</b>

#### 4.1 Secured Loans :

- Rs. 3990588/- (P.Y. Rs. 7806296/-) is secured by way of first charge of equitable mortgage of the immovable properties of the Company situated at Village Ognaj, Greenwood Lake Resort and building with Rajkot Nagarik Sahakari Bank Ltd. and additionally secured by personal guarantee of Chairman, Managing director, Director and two ex-directors of the Company.
- Rs. 17196626/- (P. Y. Rs. Nil) is secured by way of first charge of equitable mortgage of the immovable Commercial property of the Company situated at Sunrise Centre-1, Drive-In Cinema Road, Thaltej with Canara Bank.
- Rs. 313694/- (P.Y. Rs. 675127/-) term loan from HDFC bank against hypothecation of vehicles financed and personal guarantee of the Chairman, Managing Director and ex-director of the Company.
- Rs. 626753/- (P. Y. Rs. 705891/-) term loan from State Bank of India against hypothecation of vehicles financed and personal guarantee of the Chairman, Managing Director and ex-director of the Company.

#### Unsecured Loans :

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

# Sterling Greenwoods Ltd.



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Sr. No.	TYPE OF VEHICLE	AS ON 31/03/2014 (FIGURES IN ₹)	AS ON 31/03/2013 (FIGURES IN ₹)	EMI AMOUNT (₹)	MODE OF PAYMENT	NO. OF INSTALLMENTS	DATE OF COMMENCEMENT OF INSTALLMENT	LAST INSTALLMENT DUE ON	RATE OF INTEREST (%)
<b>RAJKOT NAGARIK SAHKARI BANK LTD.</b>									
1	142/1/129	1085932	1291608	32000	Monthly	95	06/06/2008	06/04/16	15%
2	163/01/4	900091	1078154	27000	Monthly	94	05/07/2008	06/04/16	14.75%
3	163/1/2	671184	2380644	161000	Monthly	90	26/04/2007	26/06/14	14.25%
4	142/1/121	1333381	3055890	170000	Monthly	90	26/04/2007	12/07/14	14.25%
	<b>SUB TOTAL</b>	<b>3990588</b>	<b>7806296</b>						
<b>Canara Bank Term Loan</b>									
5	775	17196626	-	279130	Monthly	120	25/01/2014	25/12/23	14.70%
	<b>SUB TOTAL</b>	<b>17196626</b>	<b>-</b>						
<b>VEHICLE LOAN - HDFC BANK</b>									
6	LIVA CAR	140321	331595	18310	Monthly	36	05/12/2011	05/11/14	10-11%
7	EEO	-	88644	18160	Monthly	36	05/09/2010	05/08/20	12-13%
8	Maruti Eeco	173373	254888	8694	Monthly	36	05/02/2013	05/01/15	13-14%
	<b>SUB TOTAL</b>	<b>313694</b>	<b>675127</b>						
<b>VEHICLE LOAN - STATE BANK OF INDIA</b>									
9	QUANTO	626753	705891	12310	Monthly	60	01/12/2012	01/11/17	10.45%
	<b>SUB TOTAL</b>	<b>626753</b>	<b>705891</b>						
	<b>G. TOTAL</b>	<b>940447</b>	<b>1381018</b>						

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 5 Deferred Tax Liability</b>	-	-
<b>Note: 6 Other Long Term Liabilities</b>		
<b>A. Trade Payables</b>	-	-
<b>B. Others</b>	68,700	1,677,407
<b>C. Advance received from customers</b>	146,700	234,240
Deposit from GWLR scheme members	10,176,035	10,749,998
<b>D. Lease Security Deposit</b>	7,500,000	-
	<b>17,891,435</b>	<b>12,661,645</b>
<b>Note: 7 Long Term Provisions</b>		
<b>For Others</b>		
GEB Duty Payable - GWLR	2,196,817	2,196,817
Misc. Exp. Payable	533,760	533,760
	<b>2,730,577</b>	<b>2,730,577</b>
<b>Note: 8 Short Term Borrowings</b>		
<b>A) Secured Loans - From Banks</b>		
i) Axis Bank OD Limit	-	8,629,422
ii) Rajkot Nagarik Sahakari Bank - (F.D.O.D. A/c.)	17,272,406	6,509,461
iii) Canara Bank (F.D.O.D. A/c.)	7,049,538	-
<b>B) Unsecured Loans - From Others</b>		
Inter-Corporate Deposits	7,374,001	563,147
	<b>31,695,945</b>	<b>15,702,030</b>

## 8.1 Secured Loans :

- Rs. Nil (P.Y. Rs. 86,29,422/-) is secured by way of first charge of equitable mortgage of the immovable properties of the company situated at F.P. 530/TP1 Bodakdev, at Sun Rise Center, Ahmedabad with Axis Bank consisting Shop No. 26 & 25 AB and additionally secured by personal guarantee of Chairman, Managing Director, Director of the Company and ex-director of the Company, bearing Rate of Interest of 16.00% p.a. with monthly rests and is repayable on demand.
- Rs. 70,49,538/- (P.Y. Rs. Nil) is secured by way of Company's Fixed deposit with Canara Bank amounting to Rs. 85,00,000/- (P. Y. Rs. Nil)
- Rs. 17272406/- (P. Y. Rs. 6509461/-) is secured by way of Company's Fixed deposits with Rajkot Nagarik Sahakari Bank amounting to Rs. 2,00,23,627/- (P. Y. Rs. 1,50,00,000/-)

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 9 Trade Payables</b>		
Sundry Creditors for goods & services	2,929,340	8,309,051
	<b>2,929,340</b>	<b>8,309,051</b>

- 9.1 Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2014 & 2013.
- 9.2 Balance confirmation not called for, are subject to confirmation and reconciliation, if any.

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 10 Other Current Liabilities</b>		
10.1 Current maturities of long term debt (Refer Note no. 4.1)	6,350,162	5,242,568
Creditors for Capital Expenditure	2,303,636	252,200
<b>Other Payables</b>		
Statutory Remittances - Duties & Taxes payable	161,633	623,054
Outstanding Liabilities	1,949,019	4,154,743
Misc. Exp. Payable	20,641	-
Advance Recd from Customers	2,767,090	6,092,758
Deposit & advances from society	43,013,740	40,021,085
Development & Maintenance	1,243,733	1,243,733
	<b>57,809,654</b>	<b>57,630,141</b>
<b>Note:11 Short-Term Provisions</b>		
(A) Provision for Employee Benefits		
(i) Provision for Leave Encashment	-	42,677
(B) Provision for Others		
(i) Provision for tax (Net of advance Income tax/TDS Rs. 9,27,275/- as at 31/03/2014; Rs. 11,58,442/- as at 31/03/2013)	1,800,000	1,241,558
	<b>1,800,000</b>	<b>1,284,235</b>
<b>Note: 13 Non-Current Investments</b>		
Long Term Investment		
Non Trade and Unquoted (at cost)		
(a) Investment in Subsidiary 64179 Equity Shares of Sterling Resorts Pvt. Ltd. face value ₹ 10 each fully paid.	7,123,869	7,123,869
(b) Investment in Other Entities - Co-operative Bank 12500 Equity Shares of Rajkot Nagrik Sahakari Bank Ltd. of ₹ 50/- each fully paid up.	625,000	625,000
	<b>7,748,869</b>	<b>7,748,869</b>

**Notes : 12 : FIXED ASSETS**

PARTICULARS	TANGIBLE ASSETS											TOTAL					
	LAND	BUILDING	PLANT & MACHINERY	VEHICLES	FURNITURE	LIVE STOCK	TOTAL	GWLR VRUDDH ASHRAM	TPM SERVICE APARTMENT PROJECT	CAPITAL W.I.P. (RETHAL)	TOTAL						
<b>COST OF VALUATION</b>																	
AS AT 1ST APRIL 2012	84614065	152558425	31943766	6147879	22911846	45801	298221782	-	-	1695963	299917745						
ADDITION	-	610982	707376	1236067	826579	-	3383004	-	27575	731661	4142240						
UPLIFTMENT	-	87848628	-	-	-	-	-	-	-	-	-	-					
DISPOSAL	-	-	97200	806799	9350	-	913349	-	-	-	913349						
OTHER ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-						
<b>AS AT 31ST MARCH 2013</b>	<b>84614065</b>	<b>153169407</b>	<b>32553942</b>	<b>6577147</b>	<b>23731075</b>	<b>45801</b>	<b>300691437</b>	<b>472974</b>	<b>174375</b>	<b>2510124</b>	<b>303648910</b>						
ADDITION	-	80334	3934802	-	73766	-	4088902	-	1645624	94837	5829363						
UPLIFTMENT	-	-	-	-	-	-	-	-	-	-	-						
DISPOSAL	-	38418	32515	858409	2551863	33000	3514205	-	-	-	3514205						
OTHER ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-						
<b>AS AT 31ST MARCH 2014</b>	<b>84614065</b>	<b>153211323</b>	<b>36456229</b>	<b>5718738</b>	<b>21252978</b>	<b>12801</b>	<b>301266134</b>	<b>472974</b>	<b>1819999</b>	<b>2604961</b>	<b>306164068</b>						
<b>DEPRECIATION</b>																	
AS AT 01/04/2012	-	19723517	11711983	2415671	7260001	-	41111172	-	-	-	41111172						
SHORT PROVISION OF EARLIER YEARS	-	2479606	1656619	588293	5196919	-	9921437	-	-	-	9921437						
UPLIFTMENT SHORT PROVISION EARLIER YEARS	-	-5835400	-	-	-	-	-5835400	-	-	-	-5835400						
SHORT PROVISION OF EARLIER YEARS	-	-3355794	1656619	588293	5196919	-	4086037	-	-	4086037	4086037						
TOTAL DEPRECIATION	-	2471320	1839688	604842	2224331	-	7140180	-	-	-	7140180						
UPLIFTMENT	-	1431933	-	-	-	-	143933	-	-	-	143933						
DISPOSAL	-	-	45858	417933	5762	-	469553	-	-	-	469553						
CHARGE FOR THE YEAR	-	2471320	1793830	186909	2218569	-	6670627	-	-	-	6670627						
OTHER ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-						
<b>AS AT 31ST MARCH 2013</b>	<b>-</b>	<b>24674443</b>	<b>15162432</b>	<b>3190873</b>	<b>14675489</b>	<b>-</b>	<b>57703236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57703236</b>						
TOTAL DEPRECIATION	-	2475503	1976318	512815	2018874	-	6983509	-	-	-	6983509						
LESS: UPLIFTMENT	-	1431933	-	-	-	-	1431933	-	-	-	1431933						
LESS: DISPOSAL	-	10115	25070	649339	2340465	-	3024989	-	-	-	3024989						
CHARGE FOR THE YEAR	-	2465388	1951248	-136524	-321591	-	3958520	-	-	-	3958520						
<b>AS AT 31ST MARCH 2014</b>	<b>-</b>	<b>27139831</b>	<b>17113680</b>	<b>3054349</b>	<b>14353898</b>	<b>-</b>	<b>61661757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61661757</b>						
NET BLOCK																	
AS AT 31ST MARCH 2013	84614065	128494964	17391510	3386274	9055586	45801	242988199	472974	174375	2510124	246145672						
AS AT 31ST MARCH 2014	84614065	126071492	19342549	2664389	6899080	12801	239604378	472974	1819999	2604961	244502313						

**Note: 12.1:** In previous year, due to incorrect application of the rate of depreciation and in applying formula in earlier years, there was short provision of depreciation of Rs.9921439/- and of Rs. 5835398/- being amount of Upliftment on revaluation of assets is set right during the year disclosed as exceptional item in statement of profit & loss and Note No. 3(A) " Revaluation Reserve" & Note No 12. respectively. However, there is no change in basis of providing for depreciation.

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 14 - Deffered Tax Asset (Net)</b>		
Tax effect of items constituting deferred tax assets	1,786,795	-
Balance as per last year Add/(Less) : On difference of depreciation between book depreciation and depreciation as per I. T. Act. (Refer Note No. 14.1)	-	1,250,836
Add / Less : Current Year's Tax Effect	751,778	535,959
<b>Note : 14.1 On earlier years' depreciation short provision net of upliftment</b>	<b>2,538,573</b>	<b>1,786,795</b>
<b>Note: 15 Long-Term Loans &amp; Advances</b>		
<b>A) Secured Advances</b>	-	-
<b>B) Unsecured Advances</b>		
(i) To related parties - Subsidiary Company Sterling Resorts Pvt Ltd. Unsecured Considered Good	3,889,948	3,415,124
(ii) Income Tax Deposited against disputed demand (Refer Note No. 15.1)	3,808,836	3,808,836
	<b>7,698,784</b>	<b>7,223,960</b>

## 15.1 Long Term Loans and Advances :

Deposits made in earlier years to the Income tax authority against past disputed tax liabilities as on 31/03/2014, Rs. 3808836/- (P.Y. Rs. 3808836/-). However, vide Order dated 28/02/2012, the disputed assessment proceedings of A.Y. 1995-96, 1997-98, 2001-02 and 2002-03 were set aside. Further, during the year, the fresh assessment u/s 143(3) has been made and department has raised demand of Rs. 10087948/- besides interest. Rs. 9249807/- . However, the credit as shown above is not given by the department and is subject to confirmation, reconciliation and adjustment to Profit & Loss account if any.

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 16 Other Non Current Assets</b>		
<b>A) Secured Advances</b>		
Deposit with Banks (Refer Note No. 20)	30,530,750	19,999,579
GWLR - Sundry Deposit	-	389,766
Others	236,600	101,600
<b>Long Term Trade Receivables</b>		
Unsecured, considered good	22,697,066	-
Doubtful	-	224,220
Less: Provision for doubtful trade receivables	-	-
	<b>53,464,416</b>	<b>20,714,965</b>
<b>Note: 17 Current Investment</b>		
Investment in Shares & Securities	-	-
	-	-
<b>Note: 18 Inventories (As taken, valued and certified by Management) (At Lower of Cost or Net Realisable Value)</b>		
1. GWLR Stock of Food & Beverages etc.	-	220,772
2. Land Stock	13,105,742	11,803,645
3. W.I.P. of fencing work SC-II	591,025	1,068,464
	<b>13,696,767</b>	<b>13,092,881</b>
<b>Note: 19 Trade Receivables</b>		
Debtors outstanding for a period exceeding six months		
Considered Good	150,825	33,322,469
Considered Doubtful	-	220,600
Other Debtors		
Considered Good	17,200,866	10,198,512
<b>19.1 Balance confirmation not called for, are subject to confirmation and reconciliation, if any.</b>	<b>17,351,691</b>	<b>43,741,581</b>



Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note:20 Cash &amp; Bank balances</b>		
Cash in Hand	76,560	287,766
<b>Balance with Nationalised Banks :</b>		
In Current Accounts	2,326,053	571,017
In Fixed Deposit Accounts	8,632,544	-
<b>Balance with Scheduled Banks :</b>		
In Current Accounts	130,293	253,838
In Fixed Deposit Accounts	21,898,206	19,999,579
<b>Balance with Non Scheduled Banks :</b>	1,013,840	1,120,687
Less :Term Deposit with Banks maturing after 12 months from Balance Sheet Date (Refer Note No. 16)	(30,530,750)	(19,999,579)
	<b>3,546,746</b>	<b>2,233,308</b>
<b>Note :- 21 Short Term Loans &amp; Advances</b>		
<b>A) Secured Advances</b>	-	-
<b>B) Unsecured Advances</b>		
Advance to Suppliers	-	536,425
Advance to Others	3,008,864	2,298,417
Dividend Receivable	125,130	-
<b>Advance Recoverable</b> (Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)	31,655	526,118
<b>Advance to Staff</b>		
Unsecured, Considered good	184,561	200,159
Service Tax Receivable GWLR	23,533	105,863
	<b>3,373,743</b>	<b>3,666,982</b>
<b>Note: 22 Other Current Assets</b>		
Shangar Hospitality - Lease rent outstanding	9,238,945	-
TDS (Shangar Hospitality) Deducted but not deposited	1,638,590	-
Prepaid Expenses	109,167	-
	<b>10,986,702</b>	<b>-</b>

Note:22.1 : The Company has given on lease its Resort to Shangar Hospitality but due to non payment of lease rent, the Company has initiated legal action and the matter is subjudice, the recovery of rent is subject to final outcome of Court's decision.

## NOTES TO THE STATEMENT OF PROFIT & LOSS

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note : 23 Sales</b>		
<b>Resort Operations and Room Occupancy</b>		
Room Income	2,423,241	13,156,003
Food & Beverage Income	1,847,344	16,366,137
Misc. Sales at Resort	550,716	1,589,393
Resort Membership & Misc Sales	1,082,725	2,212,455
Sales of Scrap	31,018	140,617
<b>Sales on Real Estate / Development Income</b>		
Sales of Scheme Land	18,298,465	28,549,650
Sales of Resale of Land	2,236,800	787,500
Scheme Developments Income	1,074,998	1,601,816
Fencing charges recovered	1,026,650	1,495,250
Plot Surrender Income	601,000	355,000
	<b>29,172,957</b>	<b>66,253,821</b>

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note : 24 Other Incomes</b>		
<b>Interest Income</b>	2,045,898	1,492,168
<b>Dividend Income</b>		
On long term Investments	125,130	125,130
Sundry Credit Balances w/off	2,371,913	1,106,235
Misc. Admn. Income	3,627	5,374
Hoarding Rent Income	758,022	871,875
Profit on Sale of Asset	954	47,954
Lease Rent Property GWLR (Ref. Note 24.1)	10,416,670	-
Lese Rent Fur. & Fix - GWLR (Ref. Note 24.1)	4,166,670	-
Income Tax Refund (A. Y. 2010-11)	112,070	-
	<b>20,000,954</b>	<b>3,648,736</b>
<b>Note : 24.1</b> Lease Rent Income on property and furniture & fixtures are from Shangar Hospitality and also Refer Note No. 22.1 & Note No. 30		
<b>Note: 25-A) Cost of Land Purchased</b>		
<b>Cost of Land Purchased and Expenses</b>		
Purchased Stock in Trade	1,641,000	-
Fencing Expenses (Net of WIP)	727,526	619,097
	<b>2,368,526</b>	<b>619,097</b>
<b>Note : 25-B) Food, Beverages &amp; Consumables</b>		
Opening Stock	220,772	364,442
Add:Purchases	231,116	9,504,736
SUB-TOTAL	451,888	9,869,178
Less: Closing Stock	-	220,772
<b>Material consumed</b>	<b>451,888</b>	<b>9,648,406</b>
<b>Note : 25-C) Schemes Development Expenses</b>		
Development Expenses - Schemes	552,173	2,290,073
	<b>552,173</b>	<b>2,290,073</b>
<b>Note: 26 Increase/(Decrease) in Stocks</b>		
Closing Stock of : Land	13,105,742	11,803,645
<b>Total (A)</b>	<b>13,105,742</b>	<b>11,803,645</b>
Opening Stock of : Land	11,803,645	12,759,669
<b>Total (B)</b>	<b>11,803,645</b>	<b>12,759,669</b>
Increase/(Decrease) in Stock (A - B)	<b>(1,302,097)</b>	<b>956,024</b>
<b>Note: 27 Employees Remuneration &amp; Benefits</b>		
Salary, Wages, Allowances & other Benefits	9,488,982	17,694,403
P. F. Contribution	168,653	464,221
Staff Welfare Expenses	103,879	99,299
	<b>9,761,514</b>	<b>18,257,923</b>
<b>Note: 28 Financial Cost</b>		
Interest on Bank Borrowings	3,457,430	2,821,666
Intest on other than Bank Borrowings	1,604,002	1,776,105
Bank Charges	13,804	23,052
	<b>5,075,236</b>	<b>4,620,823</b>

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note: 29 Other Expenses</b>		
<b>A) Selling &amp; Distribution Expenses</b>		
Advertisement & Publicity	885,692	1,808,247
Sales Promotion Expenses	85,456	113,517
Sales Commission & Discount Allowed	226,476	1,042,679
Discount	70,000	302,889
Marketing Expenses	62,472	327,087
Ring Road (Ognaj) Development Expenses	654,388	-
	<b>1,984,484</b>	<b>3,594,419</b>
<b>B) Operating, Administrative &amp; Other Expenses</b>		
Bad- debts & Sundry Balances Written Off	2,966,380	310,040
Directors Sitting Fees	36,000	14,000
Donations	35,000	10,000
Electricity Expenses	700,623	4,538,145
GWLR Operations Exp	128,229	1,071,057
Legal & Professional Fees	2,644,975	2,515,444
Loss on Sale of Assets	377,170	55,000
Miscellaneous Administrative Expenses	4,242,806	1,145,228
Rates and Taxes excluding Taxes on Income	1,211,826	1,687,344
Rent	684,000	90,000
Repairs & Maintenance Expenses	537,984	1,306,331
Stationery & Printing Expenses	325,296	584,030
Telephone, Cable & Internet Expenses	450,312	855,360
Travelling & Conveyance Expenses	172,593	296,723
Vehicle Expenses	660,806	1,225,195
Auditor's Remuneration	224,720	270,571
Prior Period Expenses	106,340	1,163,553
	<b>15,505,060</b>	<b>17,138,021</b>
<b>Note : 29.1</b>		
Miscellaneous Administrative Expenses include penalty of Rs. 10,50,000/- paid to SEBI against the order passed in terms of Rule 6 of the SEBI Rules, 1995	<b>17,489,544</b>	<b>20,732,440</b>

Note : 29.2

Particulars	31/03/2014	31/03/2013
(i) Payments to the Auditors comprise :		
As Auditors - Statutory Audit	134832	134832
For Income Tax Matters	50562	51469
For Tax Audit	39326	39326
For Other Matters	-----	44944
<b>Total</b>	<b>224720</b>	<b>270571</b>

**Note: 30 Events occurring after the Balance Sheet**

The Company has vide lease deed with Shangar Hospitality given on lease its Resort with effect from 1st June 2013. However, since November 2013, the lessee has defaulted in clearing the payment and/or not paid lease rentals in terms of lease deed. The Company has taken legal action for recovery of the dues and vacating the Resort. The matter is subjudice and in the event of non recovery of dues, to the extent dues and other amount not received will affect the financial statement of the Company, the amount if any is subject to final Court verdict.

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note: 31 Contingent Liabilities &amp; Commitments (to the extent not provided for)</b>		
<b>A) Service Tax Liability Outstanding</b>		
(i) At CIT level	-	547,939
(ii) At Appellate Tribunal Level	9,251,306	7,023,327
<b>B) Income Tax Liability at CIT-(A) Level</b>		
Against order passed by ITAT set asiding the disputed assessment of A.Y. 1995-96, 1997-98, 2001-02, 2002-03. During the year the Income Tax department has made fresh assessment u/s 143(3) raising demand of Rs.10087948/- besides interest Rs. 9249807/- (Against which as per records of the Company, in past company has deposited Rs. 3808836/- is subject to confirmation/reconciliation by Income Tax Department)		
<b>C) Labour Laws</b>		
	1,673,400	1,673,400

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

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

Particulars	31/03/2014	31/03/2013
<b>Note: 32</b> Value of imports calculated on CIF basis	NIL	NIL
<b>Note: 33</b> Expenditure in foreign currency	NIL	NIL
<b>Note: 34</b> Earnings in foreign exchange	NIL	NIL
<b>Note: 35</b> Amounts remitted in foreign currency during the year on account of dividend	NIL	NIL

## Note : 36 Segment Reporting

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

(i) Segment assets and liabilities:

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

(ii) Segment revenue and expenses

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

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

Particulars	31/03/2014			31/03/2013		
	Resort	Real Estate	Total	Resort	Real Estate	Total
<b>REVENUE</b>						
Domestic Income	5935044	23237913	29172957	33464605	32789216	66253821
Export Income	NIL	NIL	NIL	NIL	NIL	NIL
Inter-segment Income	NIL	NIL	NIL	NIL	NIL	NIL
<b>RESULTS</b>						
Segment Results						
Unallocated Corporate Expenses	NIL	NIL	34873125	NIL	NIL	62298251
Operating Profit			17340953			34482298
Interest Expense	8056	5067180	5075236	16092	4604731	4620853
Interest Income			2045898			1492168
Other Income			18706834			2692527
Income Tax			2739587	—	—	2847502
Net Profit			7237741			671940
<b>OTHER INFORMATION</b>						
Segment assets						
Unallocated Corporate Assets			244502312			246145672
Total Assets						
Segment Liabilities						
Unallocated Corporate Liabilities						
Capital Expenditure						
Depreciation			5551576			5708247
Other on Capital Expenditure						

**Note : 37 – Related Party Disclosure**

A. List of Related Parties and Relations

1. Subsidiaries, Fellow Subsidiaries and Associates

- Sterling Resorts Private Limited

2. Key Management Personnel

- Mr. B. Kumar
- Mr. Ankit Mathur
- Mrs. Meeta Mathur
- Mr. Bharat Kumar Lekhi
- Mrs. Shivangi Mathur

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

- Sterling Resorts Private Limited
- Madhu Agarwal
- Nipur Agarwal
- Om Kumar
- Siddharth Seth
- B. Kumar (HUF)
- Banwarilal Charitable Trust

- M/s. Architect Yetinder Mathur
- Mr. Kunal Mathur
- Mrs. Kusum B. Kumar

**A. (I) Transactions with Related Parties :-**

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Interest Paid	—	—	276738	1159530	185994	28728
Remuneration	—	—	1681759	2686500	900000	300000
Professional fees	—	—	—	—	365170	337080
Rent	—	—	—	—	90000	90000
Acceptance of loan	—	—	—	2945606	—	—
Repayment of loan	—	—	5532890	7712017	278000	7690
Loans Given	474824	422885	—	—	—	—

**(ii) Outstanding transactions with related parties**

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Unsecured Loans	—	—	483089	6963921	1717413	542854
Loans & Advances	3889948	3415124	—	—	—	—
Salary payable	—	—	136266	1132783	655318	—
Rent Payable	—	—	—	—	480233	1083480
Professional Fees Payable	—	—	—	—	605042	637459
Outstanding Liabilities	—	—	—	—	—	39000

**Note 38—Lease**

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

**Notes:-**

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

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

Lease payment recognised in Profit and Loss A/c for the period

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

## Note 39 – Earning Per Share

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

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

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

Particulars	This Year	Last Year
Earning Available for share holders (₹)	7237741	671940
Weighted average of Equity Shares	4239688	4239688
Basic & Diluted EPS (₹)	1.71	0.16
Face value of share	₹ 10/-	₹ 10/-

**Note 40 :** Previous year figures have been regrouped/rearranged so as to make them comparable with current year's figures.

**Note 41 :** The Provision for Current year's Income Tax Rs. 2739587/- ( Previous Year Rs. 2847502/-) has been made on estimated basis for the accounting year ended on 31/03/2014. The actual tax liabilities of the Company will be determined on the basis of taxable income of the Company for A.Y. 2014-15.

**Note 42 :** Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31<sup>st</sup> 2014.

Signatures to the Notes '1' to '42'

As per our separate report of even date attached

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

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

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

FOR AND ON BEHALF OF THE BOARD  
**STERLING GREENWOODS LIMITED**

**B. KUMAR**  
Chairman

**BHARAT KUMAR LEKHI**  
Managing Director

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014



## Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

1. Name of Subsidiary : Sterling Resorts Private Limited
2. Financial Year of Subsidiary Company ended on : 31/03/2014
3. Date from which it became Subsidiary : 06/05/1986
4. Number of shares held by Sterling Greenwoods Limited Holding Company) with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary : 64179 Equity Shares of ₹ 10/- each fully paid up
5. Extent of Shareholding interest of Holding Company at the end of the Financial year of the Subsidiary : 95.08%

Note : The Subsidiary Company has not commenced business activity; hence details of profit & loss figures are not given.

## INFORMATION REGARDING SUBSIDIARY COMPANIES

(for the financial year or as on, as the case may be)

(₹ In Lacs)

Sr. No.	Particulars	Sterling Resort Pvt. Ltd.
	<b>Financial Year Ending on</b>	<b>31-03-2014</b>
1	Share Capital	6.75
2	Reserves	10.49
3	Liabilities	51.33
4	<b>Total Liabilities</b>	<b>68.57</b>
5	<b>Total Assets</b>	<b>68.57</b>
6	Investments (Excluding Subsidiary Companies)	Nil
7	Turnover	Nil
8	Profit before Taxation	Nil
9	Provision for Taxation	Nil
10	Profit after Tax	Nil
11	Dividend	Nil

For and on Behalf of the Board  
STERLING GREENWOODS LIMITED

(B. KUMAR)  
(Chairman)

BHARAT KUMAR LEKHI  
Managing Director

PLACE : AHMEDABAD

Date : 30<sup>th</sup> May, 2014

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF,  
**STERLING GREENWOODS LIMITED**  
AHMEDABAD

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Sterling Greenwoods Limited (the Company), which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2014

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014 OF STERLING GREENWOODS LIMITED & ITS SUBSIDIARY STERLING RESORTS PRIVATE LIMITED

PARTICULARS	Notes	31-03-2014 AMOUNT (₹)	31-03-2013 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	42,859,960	42,859,960
(b) Reserves and Surplus	3	189,213,691	183,407,883
(c) Minority Interest	3(i)	84,864	84,864
(d) Money received against Share warrants		-	-
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	18,323,812	22,115,302
(b) Deferred tax liabilities (Net)	5	-	-
(c) Other Long term liabilities	6	18,783,230	13,553,440
(d) Long term provisions	7	2,730,577	2,730,577
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	8	31,695,945	15,702,030
(b) Trade payables	9	2,929,340	8,309,051
(c) Other current liabilities	10	57,809,654	57,630,141
(d) Short-term provisions	11	1,805,500	1,289,735
<b>Total</b>		<b>366,236,574</b>	<b>347,682,983</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		241,538,461	244,835,346
(ii) Intangible assets		-	-
Goodwill on consolidation		5,483,837	5,483,837
(iii) Capital work-in-progress		4,897,935	3,157,473
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	625,000	625,000
(c) Deferred tax assets (net)	14	2,538,573	1,786,795
(d) Long term loans and advances	15	4,014,964	4,014,964
(e) Other non-current assets	16	58,172,156	24,989,816
<b>(2) Current assets</b>			
(a) Current investments	17	-	-
(b) Inventories	18	13,696,767	13,092,881
(c) Trade receivables	19	17,351,691	43,796,581
(d) Cash and cash equivalents	20	3,556,746	2,233,308
(e) Short-term loans and advances	21	3,373,743	3,666,982
(f) Other current assets	22	10,986,702	-
<b>Total</b>		<b>366,236,574</b>	<b>347,682,983</b>

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

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

**ANIL S. SHAH**  
(Partner)

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

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

**For and on Behalf of the Board**  
**STERLING GREENWOODS LIMITED**

**B. KUMAR**  
CHAIRMAN

**(BHARAT KUMAR LEKHI)**  
(MANAGING DIRECTOR)

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

**CONSOLIDATED FINANCIAL STATEMENTS OF  
STERLING GREENWOODS LIMITED & ITS SUBSIDIARY STERLING RESORTS PRIVATE LIMITED  
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31/03/2014**

No.	Particulars	Note	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
I.	Revenue from Operations	23	29,172,957	66,253,821
II.	Other Income	24	20,000,954	3,648,736
III.	<b>Total Revenue (I+II)</b>		<b>49,173,911</b>	<b>69,902,557</b>
IV.	Expenses :			
	Cost of Land consumed	25-A	2,368,526	619,097
	Food, Beverages & Consumable consumed	25-B	451,888	9,648,406
	Schemes Development Expenses	25-C	552,173	2,290,073
	Increase/(Decrease) in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1,302,097)	956,024
	Employee Benefit expenses	27	9,761,514	18,257,923
	Financial costs	28	5,075,236	4,620,823
	Depreciation and amortization expenses	12	6,983,509	7,140,180
	Less: Transfer to Revaluation Reserve		(1,431,933)	(1,431,933)
	Other expenses	29	17,489,544	20,732,440
	<b>Total Expenses</b>		<b>39,948,361</b>	<b>62,833,033</b>
V.	<b>Profit before exceptional &amp; extraordinary items and tax</b>	<b>(III - IV)</b>	<b>9,225,550</b>	<b>7,069,524</b>
VI.	<b>Exceptional Items</b>			
	Short provision of depreciation of earlier years	12.1	-	9,921,439
	Less : Earlier years upliftment transferred to revaluation reserve	12.1	-	(5,835,398)
				<b>4,086,041</b>
VII.	<b>Profit before extraordinary items and tax</b>	<b>(V-VI)</b>	<b>9,225,550</b>	<b>2,983,483</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax</b>	<b>(VII - VIII)</b>	<b>9,225,550</b>	<b>2,983,483</b>
X.	Tax expense :			
	(1) Current tax			
	Income tax		2,739,587	2,847,502
	(2) Deferred tax		751,778	535,959
XI.	Profit(Loss) for the period from continuing operations	<b>(X - XI)</b>	<b>7,237,741</b>	<b>671,940</b>
XII.	<b>Profit/(Loss) for the period</b>		<b>7,237,741</b>	<b>671,940</b>
XIII.	Earning per Equity Share of ₹ 10/- Basic and Diluted	<b>(IX-X(1)+ X(2))</b>	1.71	0.16

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

As per our report of even date,

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

**For and on Behalf of the Board**  
**STERLING GREENWOODS LIMITED**

**ANIL S. SHAH**  
(Partner)

**B. KUMAR**  
**CHAIRMAN**

**BHARAT KUMAR LEKHI**  
**MANAGING DIRECTOR**

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

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

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-2014

PARTICULARS	2013-14 AMOUNT (₹)	2013-14 AMOUNT (₹)	2012-13 AMOUNT (₹)	2012-13 AMOUNT (₹)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit/(Loss) before tax &amp; extraordinary items</b>		<b>9,225,550</b>		<b>2,983,483</b>
Adjusted for :				
Depreciation	5,551,576		5708247	
Dividend received	(125,130)		(125130)	
Loss on Sale of Asset	377,170		55000	
Profit on Sale of Asset	(954)		(47,954)	
Interest (NET)	3,015,534		3,105,603	
Exceptional Item	-		4,086,041	
		<b>8,818,196</b>		<b>12,781,807</b>
<b>Operating Profit Before working capital changes</b>				
<b>Adjustments For :</b>				
Inventory	(603,886)		849,508	
Trade Receivables	26,389,890		(9,483,031)	
Non-Current Assets	(22,218,280)		(189,030)	
Repayment of Short Term Loans & Advances	293,239		(336,421)	
Other Long Term Liabilities	5,229,790		(659,958)	
Trade Payables	(5,379,711)		3,484,740	
Other Current Liabilities	179,513		(6,784,870)	
Short Term Provisions	515,765		1,036,550	
Other Current Assets	(10,986,702)			
Short Term Borrowings	15,993,915	9,413,533	8,152,461	(3,930,051)
Direct Taxes Paid		(2,739,587)		(2,847,502)
<b>Net Cash flow from operating activities (A)</b>		<b>24,717,692</b>		<b>8,987,737</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(4,088,902)		(3,383,004)	
Capital WIP	(1,740,462)		(702,274)	
Sale of Fixed Assets	113,000		436,750	
Fixed Deposits	(10,531,171)		(2,448,671)	
<b>Net Cash used in investing activities (B)</b>		<b>(16,247,535)</b>		<b>(6,097,199)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Long term loans & advances	(474,824)		(422,885)	
Repayment of Long Term borrowings	(3,791,491)		(54,648)	
Repayment of Long Term Loan				
Dividend Received	125,130		125,130	
Interest Paid	(5,061,432)		(4,597,771)	
Interest Received	2,045,898		1,492,168	
<b>Net Cash in Flow from Financing Activities (C)</b>		<b>(7,156,719)</b>		<b>(3,458,006)</b>
<b>Net Increase in cash and Cash Equivalent (A+B+C)</b>		<b>1,313,438</b>		<b>(567,468)</b>
<b>Cash and Cash Equivalents as at 1/04/2013 (Opening Bal.)</b>		<b>2,233,308</b>		<b>2,800,776</b>
<b>Cash and Cash Equivalents as at 31/03/2014 (Closing Bal.)</b>		<b>3,546,746</b>		<b>2,233,308</b>

Notes to the Cash Flow Statement for the year ended on 31.03.2014

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

As per our Report of even date attached

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

**ANIL S. SHAH**  
(Partner)

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2014

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

**For and on Behalf of the Board**  
**STERLING GREENWOODS LIMITED**

**(B. KUMAR)**  
**(Chairman)**

**(BHARAT KUMAR LEKHI)**  
**(Managing Director)**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2014

### Note –1 SIGNIFICANT ACCOUNTING POLICIES

#### 1. Principles of Consolidation

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

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

#### 2. Other Significant Accounting Policies :

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

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

## NOTES TO BALANCE SHEET

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 2 Share Capital</b>		
Authorised : 50,00,000 Equity Shares of ₹ 10/- Each	50,000,000	50,000,000
Issued 4322788 Equity Shares of ₹ 10/- Each		
Subscribed and fully paid up 4239688 Equity Shares of ₹ 10/- Each	42,396,880	42,396,880
Forfeited Equity Shares 71600 of ₹ 10/- Each	463,080	463,080
	<b>42,859,960</b>	<b>42,859,960</b>

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

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	42,39,688	42,39,688
Add : Shares issued	-	-
Less : Shares cancelled	-	-
Equity Shares at the end of the year	42,39,688	42,39,688

2.2 Terms attached to Equity Shares :

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

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

2.3 The details of Shareholders holding more than 5% shares

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Smt. Meeta Mathur	-----	-----	778155	18.35
Shri B. Kumar	2054182	48.45	715028	16.87
Smt. Kusum B. Kumar	646204	15.24	646204	15.24
Smt. Meeta Mathur Jt. Shri B. Kumar	-----	-----	538720	12.71

2.4 As per the records of the Company including its Register of Shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of the shares.

2.5 Details of forfeited shares :

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amt. Originally paid up	No. of Shares	Amt. Originally paid up
Equity shares with voting rights	71600	463080	71600	463080
Equity shares with differential voting rights	0	0	0	0



Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 3 Reserves &amp; Surplus</b>		
<b>(A) Revaluation Reserve</b>		
Balance as per last year	138,056,746	145,324,077
Less : Short provision of Up-lift dep. of earlier years (Refer Note 12.1)	-	(5,835,398)
Less : Up-lift dep. Transfer from P&L A/c.	(1,431,933)	(1,431,933)
<b>Balance</b>	<b>136,624,813</b>	<b>138,056,746</b>
<b>(B) Surplus in the Statement of Profit &amp; Loss</b>		
As at Commencement of the Year	45,351,137	43,428,361
Add : Deferred Tax Asset for the earlier years (Refer Note 14.1)	-	1,250,836
<b>Balance</b>	<b>45,351,137</b>	<b>44,679,197</b>
Add : Transferred from Profit & Loss A/c.	7,237,741	671,940
<b>Net Surplus as per Statement of Profit &amp; Loss</b>	<b>52,588,878</b>	<b>45,351,137</b>
<b>TOTAL RESERVES AND SURPLUS (A + B)</b>	<b>189,213,691</b>	<b>183,407,883</b>

**Note : 3(i) Minority Interest**

The minority interest is calculated.

And accordingly previous year figure is also restated.

Consequent effect has been given in Goodwill on consolidation Note No. 12.2

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 4 Long-Term Borrowings</b>		
<b>A) Secured Loans</b>		
<b>FROM BANKS</b>		
Term Loan		
Rajkot Nagarik Sahakari Bank	3,990,588	7,806,296
Canara Bank	17,196,626	-
Vehicle Loans (Refer Note : 4.1)	940,447	1,381,018
Less : Current maturity of long Term Debt (Refer Note 10.1)	(6,350,162)	(5,242,568)
<b>Long Term Loans - Others</b>	-	-
<b>B) Unsecured Loans</b>		
Long Term Loans - Others		
Deposit from Directors & Directors Relatives	2,546,313	18,170,556
	<b>18,323,812</b>	<b>22,115,302</b>

**4.1 Secured Loan :**

- Rs. 3990588/- (P.Y. Rs. 7806296/-) is secured by way of first charge of equitable mortgage of the immovable properties of the company situated at village Ognaj, Greenwood Lake Resort and Building with Rajkot Nag. Sah. Bank Ltd. and additionally secured by personal guarantee of Chairman, Managing Director, Director and two ex-directors of the company.
- Rs. 17196626/- (P.Y. Rs. NIL) is secured by way of first charge of equitable mortgage of the immovable Commercial property of the company situated at Sunrise Centre-1, Drive-In Cinema Road, Thaltej with Canara Bank.
- Rs. 313694/- (P. Y. Rs. 675127/-) term loan from HDFC Bank against hypothecation of vehicles financed and personal guarantee of the Chairman, Managing Director and ex-director of the company.
- Rs. 626753/- (P. Y. Rs. 705891/-) term loan from State Bank of India against hypothecation of vehicles financed and personal guarantee of the Chairman, Managing Director and ex-director of the company.

**Unsecured Loan :**

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

Sr. No.	TYPE OF VEHICLE	AS ON 31/03/2014 (FIGURES IN ₹)	AS ON 31/03/2013 (FIGURES IN ₹)	EMI AMOUNT (₹)	MODE OF PAYMENT	NO. OF INSTALLMENTS	DATE OF COMMENCEMENT OF INSTALLMENT	LAST INSTALLMENT DUE ON	RATE OF INTEREST (%)
<b>RAJKOT NAGARIK SAHKARI BANK LTD.</b>									
1	142/1/129	1085932	1291608	32000	Monthly	95	06/06/2008	06/04/16	15.00%
2	163/01/4	900091	1078154	27000	Monthly	94	05/07/2008	06/04/16	14.75%
3	163/1/2	671184	2380644	161000	Monthly	90	26/04/2007	26/06/14	14.25%
4	142/1/121	1333381	3055890	170000	Monthly	90	26/04/2007	12/07/14	14.25%
	<b>SUB TOTAL</b>	<b>3990588</b>	<b>7806296</b>						
<b>Canara Bank Term Loan</b>									
5	775	17196626	-	279130	Monthly	120	25/01/2014	25/12/23	14.70%
	<b>SUB TOTAL</b>	<b>17196626</b>							
<b>VEHICLE LOAN - HDFC BANK</b>									
6	LIVA CAR	140322	331595	18310	Monthly	36	05/12/2011	05/11/14	10-11%
7	EECO	-	88644	18160	Monthly	36	05/09/2010	05/08/20	12-13%
8	Maruti	173373	254888	8694	Monthly	36	05/02/2013	05/01/15	13-14%
	<b>SUB TOTAL</b>	<b>313695</b>	<b>675127</b>						
<b>VEHICLE LOAN - STATE BANK OF INDIA</b>									
9	QUANTO	626753	705891	12310	Monthly	60	01/12/2012	01/11/17	10.45%
	<b>SUB TOTAL</b>	<b>626753</b>	<b>705891</b>						
	<b>G. TOTAL</b>	<b>940448</b>	<b>1381018</b>						

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 5 Deferred Tax Liability</b>	-	-
<b>Note: 6 Other Long Term Liabilities</b>		
<b>A.Trade Payables</b>	-	-
<b>B.Others</b>	960,495	2,569,202
<b>C. Advance received from customers</b>	146,700	234,240
Deposit from GWLR scheme members	10,176,035	10,749,998
<b>D. Lease Security Deposit</b>	7,500,000	-
	<b>18,783,230</b>	<b>13,553,440</b>
<b>Note: 7 Long Term Provisions</b>		
For Other		
GEB Duty Payable - GWLR	2,196,817	2,196,817
Misc. Exp. Payable	533,760	533,760
	<b>2,730,577</b>	<b>2,730,577</b>
<b>Note: 8 Short Term Borrowings</b>		
<b>A) Secured Loans</b>		
<b>Short Term Borrowings - From Banks</b>		
i) Axis Bank OD Limit	-	8,629,422
ii) Rajkot Nagarik Bank - (F.D.-O.D. A/c.)	7,049,538	-
iii) Canara Bank (F.D.-O.D. A/c.)	17,272,406	6,509,461
<b>B) Unsecured Loans</b>		
<b>From Others</b>		
Inter-Corporate Deposits	7,374,001	563,147
	<b>31,695,945</b>	<b>15,702,030</b>

## 8.1 Secured Loan :

- Rs. NIL (P.Y. Rs. 8629442/-) is secured by way of first charge of equitable mortgage of the immovable properties of the Company situated at F.P. 530/TP1 Bodakdev, at Sun Rise Center, Ahmedabad with Axis Bank consisting Shop No. 26 & 25 AB and additionally secured by personal guarantee of Chairman, Managing Director, Director of the Company and ex-director of the Company, bearing Rate of Interest of 16.00% p.a. with monthly rests and is repayable on demand.
- Rs. 7049538/- (P.Y. Rs. Nil) is secured by way of Fixed deposit with Canara Bank amounting to Rs. 8500000/- (P. Y. Rs. NIL)
- Rs. 17272406 (P. Y. Rs. 6509461) is secured by way of Company's Fixed deposits with Rajkot Nagarik Sahakari Bank amounting to Rs. 20023627/- (P. Y. Rs. 1,50,00,000)

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 9 Trade Payable</b>		
Sundry Creditors for goods & services	2,929,340	8,309,051
	<b>2,929,340</b>	<b>8,309,051</b>

9.1 Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31st 2014 and 2013.

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

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 10 Other Current Liabilities</b>		
10.1 Current maturities of long term debt (Refer Note no. 4.1)	6,350,162	5,242,568
Creditors for Capital Expenditure	2,303,636	252,200
<b>Other Payables</b>		
Statutory Remittances - Duties & Taxes payable	161,633	623,054
Outstanding Liabilities	1,949,019	4,154,743
Misc. Exp. Payable	20,641	-
Advance Recd from Customers	2,767,090	6,092,758
Deposits & advances from society	43,013,740	40,021,085
Development & Maintenance	1,243,733	1,243,733
	<b>57,809,654</b>	<b>57,630,141</b>
<b>Note:11 Short-Term Provisions</b>		
(A) Provision for Employee Benefits		
(i) Provision for Leave Encashment	-	42,677
(B) Provision for Others		
(i) Provision for tax (Net of advance Income tax/TDS Rs. 9,27,275/- as at 31/03/2014; Rs. 11,58,442/- as at 31/03/2013)	1,800,000	12,41,558
(ii) Other Expenses	5,500	5,500
	<b>1,805,500</b>	<b>1,289,735</b>
<b>Note: 13 Non-Current Investments</b>		
<b>Long Term Investment</b>		
<b>Non Trade and Unquoted (at cost)</b>		
(b) Investment in Other Entities - Co-operative Bank		
12500 Equity Shares of Rajkot Nagarik Sahakari Bank Ltd. of ₹ 50/- each fully paid up.	625,000	625,000
	<b>625,000</b>	<b>625,000</b>

## CONSOLIDATED BALANCE SHEET

### Notes : 12 : FIXED ASSETS

ASSETS	LAND	LEASE HOLD LAND	BUILDING	PLANT & MACHINERY	VEHICLES	FURNITURE	LIVE STOCK	TOTAL	GWLR VRUDDH ASHRAM	TPM SERVICE APARTMENT PROJECT	CAPITAL W.I.P. (RETHAL)	TOTAL
COST OR VALUATION												
AS AT 1ST APRIL 2012	86188565	101980	152558425	31943767	6148630	22969478	45801	299956646	-	27575	2427624	300676982
ADDITION	-	-	723266	707376	1236067	828579	-	3495288	472974	146800	82500	4085278
UPLIFTMENT	61673254	-	87848628	-	-	-	-	149521862	-	-	-	-
DISPOSAL	-	-	-	97200	806799	9350	-	913349	-	-	-	913349
OTHER ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 31ST MARCH 2013	86188565	101980	153281691	32553943	6577898	23788707	45801	302538585	472974	174375	2510124	303848911
ADDITION	-	-	167270	3934802	73766	-	-	4175838	-	1645624	94837	5916299
UPLIFTMENT	-	-	-	-	-	-	-	-	-	-	-	-
DISPOSAL	-	-	38418	32515	858409	2551863	33000	3514205	-	-	-	3514205
OTHER ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 31ST MARCH 2014	86188565	101980	153410543	36456230	5719489	21310610	12801	303200218	472974	1819999	2604961	306251005
DEPRECIATION	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 01/04/2012	-	-	19723517	11711983	2415671	7260001	-	41111172	-	-	-	41111172
CHARGE FOR THE YEAR	-	-	2471320	1839688	604842	2224331	-	7140181	-	-	-	7140181
UPLIFTMENT	-	-	-	-	-	-	-	-	-	-	-	0
DISPOSAL	-	-	-	45858	417933	5762	-	469553	-	-	-	469553
OTHER ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-	0
AS AT 31ST MARCH 2013	-	-	22194838	13505812	2602580	9478570	-	47781800	-	-	-	47781800
TOTAL DEPRECIATION	-	-	2475503	1976318	512815	2018874	-	6983510	-	-	-	6983510
LESS: UPLIFTMENT	-	-	1431933	-	-	-	-	1431933	-	-	-	1431933
LESS: DISPOSAL	-	-	10115	25070	649339	2340465	-	3024989	-	-	-	3024989
CHARGE FOR THE YEAR	-	-	2466388	1951248	-136524	-321591	-	3958521	-	-	-	3958521
AS AT 31ST MARCH 2014	-	-	27139831	17113680	3054349	14353898	-	61661758	-	-	-	61661758
SHORT PROVISION OF EARLIER YEARS (Refer Note: 12.1)	-	-	2479608	1656620	588293	5196919	-	9921439	-	-	-	9921439
UPLIFTMENT SHORT PROVISION OF EARLIER YEARS (Refer Note NO 12.1)	-	-	-5835398	-	-	-	-	-5835398	-	-	-	-5835398
SHORT PROVISION FOR EARLIER YEAR (NET)	-	-	-3355790	1656620	588293	5196919	-	4086041	-	-	-	4086041
NET BLOCK	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 31ST MARCH 2013	86188565	101980	130974569	19048130	3974567	14252506	45801	254586118	472974	174375	2510124	257743591
AS AT 31ST MARCH 2014	86188565	101980	126270712	19342549	2665140	6956712	12801	241538461	472974	1819999	2604961	246436396

Note: 12.1: In previous year, due to incorrect application of the rate of depreciation and in applying formula in earlier years, there was short provision of depreciation of Rs.9921439/- and of Rs. 5835398/- being amount of Upliftment on revaluation of assets, is set right during the year, disclosed as exceptional item in statement of profit & loss and Note No. 3(A) " Revaluation Reserve" & Note No 12. respectively. However, there is no change in basis of providing for depreciation.

Notes:-12.2 Goodwill on consolidation The Goodwill calculated on consolidation. Consequent Effect has been given in Minority interest Note No 3 (i).

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 14 Deferred Tax Asset (Net)</b>		
Tax effect of items constituting deferred tax assets		
Balance as per last year :	1,786,795	-
Add/(Less) : On difference of depreciation between book depreciation and depreciation as per IT Act.	-	1,250,836
Add / Less : Current Year Tax Effect	751,778	535,959
Note 14.1 on earlier years short provision, net of upliftment	<b>2,538,573</b>	<b>1,786,795</b>
<b>Note: 15 Long-Term Loans &amp; Advances</b>		
<b>A) Secured Advances</b>	-	-
<b>B) Unsecured Advances</b>		
(i) To related parties - Subsidiary Company Sterling Resorts Pvt. Ltd. - Unsecured Considered Good	-	-
(ii) INCOME TAX Deposited against disputed demand) (refer note 15.1)	3,808,836	3,808,836
(iii) To Others	115,648	115,648
(iv) Income Tax & TDS	90,480	90,480
	<b>4,014,964</b>	<b>4,014,964</b>

## 15.1 Long Term Loans and Advances :

Deposits made to the Income tax authority against past disputed tax liabilities as on 31/03/2014, Rs. 3808836 (P.Y. Rs. 3808836/-). However, vide Order dated 28/02/2012, the disputed assessment proceedings of A.Y. 1995-96, 1997-98, 2001-02 and 2002-03 have been set aside. Further, during the year assessment u/s 143(3) has been made and department has raised demand of Rs. 10087948/- besides interest Rs. 9249807/- however the credit as shown above is not given by the department and is subject to confirmation, reconciliation and adjustment to Profit & Loss account if any.

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 16 Other Non Current Assets</b>		
<b>A) Secured Advances</b>		
<b>Deposit with Banks (Refer note no. 20)</b>		
GWLR Sundry Deposit	30,530,750	19,999,579
Others	236,600	389,766
<b>Long Term Trade Receivables</b>		
Unsecured, considered good	22,752,066	-
Doubtful	-	224,020
Less: Provision for doubtful trade receivables	-	-
Preliminary Expenses	3,500	3,500
Preoperative Exp. pending allocation.	4,649,240	4,271,351
	<b>58,172,156</b>	<b>24,989,816</b>
<b>Note: 17 Current Investment</b>		
Investment in Shares & Securities	-	-
	-	-
<b>Note: 18 Inventories (As taken, valued and certified by Management) (At Lower of Cost OR Net Realisable Value)</b>		
1. GWLR Stock of Food & Beverages etc.	-	220,772
2. Land Stock	13,105,742	11,803,645
3. W.I.P. of fencing work SC-II	591,025	1,068,464
	<b>13,696,767</b>	<b>13,092,881</b>
<b>Note: 19 Trade Receivables</b>		
Debtors outstanding for a period exceeding six months		
Considered Good	150,825	33,322,469
Considered Doubtful	-	275,600
Other Debtors		
Considered Good	17,200,866	10,198,512
<b>19.1</b> Balance confirmation not called for, are subject to confirmation & reconciliation, if any.	<b>17,351,691</b>	<b>43,796,581</b>

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note:20 Cash &amp; Bank balances</b>		
Cash in Hand	76,560	287,766
<b>Balance with Nationalised Banks :</b>		
In Current Accounts	2,326,053	571,017
In Fixed Deposit Accounts	8,642,544	-
<b>Balance with Scheduled Banks :</b>		
In Current Accounts	130,293	253,838
In Fixed Deposit Accounts	21,898,206	19,999,579
<b>Balance with Non Scheduled Banks :</b>		
Less :Term Deposit with Banks maturing after 12 months from Balance Sheet Date (refer note 16)	1,013,840	1,120,687
	(30,530,750)	(19,999,579)
	<b>3,556,746</b>	<b>2,233,308</b>
<b>Note :- 21 Short Term Loans &amp; Advances</b>		
A) <b>Secured Advances</b>	-	-
B) <b>Unsecured Advances</b>		
Advance to Suppliers	-	536,425
Advance to Others	3,008,864	2,298,417
Dividend Receivable	125,130	-
<b>Advance Recoverable</b> (Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)	31,655	526,118
<b>Advance to Staff</b>		
Unsecured, Considered good	184,561	200,159
Service Tax Receivable GWLR	23,533	105,863
	<b>3,373,743</b>	<b>3,666,982</b>
<b>Note: 22 Other Current Assets</b>		
Shangar Hospitality - Lease Rent Outstanding	9,238,945	-
Tax Deducted but not deposited by Shangar	1,638,590	-
Prepaid Expenses	109,167	-
	<b>10,986,702</b>	<b>-</b>

Note:22.1 : The company has given on lease its resorts to Shangar Hospitality but due to non payment of lease rent, the company has initiated legal action and matter is subjudice, the recovery of rent is subject to final out come of Court's decision.

## NOTES TO THE STATEMENT OF PROFIT & LOSS

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note : 23 Sales</b>		
<b>Resort Operations and Room Occupancy</b>		
Room Income	2,423,241	13,156,003
Food & Beverage Income	1,847,344	16,366,137
Misc. Sales at Resort	550,716	1,589,393
Resort Membership & Misc Sales	1,082,725	2,212,455
Sales of Scrap	31,018	140,617
<b>Sales on Real Estate / Development Income</b>		
Sales of Scheme Land	18,298,465	28,549,650
Sales of Resale of Land	2,236,800	787,500
Scheme Developments Income	1,074,998	1,601,816
Fencing charges recovered	1,026,650	1,495,250
Plot Surrender Income	601,000	355,000
	<b>29,172,957</b>	<b>66,253,821</b>

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note : 24 Other Incomes</b>		
<b>Interest Income</b>	2,045,898	1,492,168
<b>Dividend Income</b>		
On long term Investments	125,130	125,130
Sundry Credit Balances w/off	2,371,913	1,106,235
Misc. Admn. Income	3,627	5,374
Hoarding Rent Income	758,022	871,875
Profit on Sale of Asset	954	47,954
Lease Rent Property GWLR (Ref. Note 24.1)	10,416,670	-
Lese Rent Fur. & Fix - GWLR (Ref. Note 24.1)	4,166,670	-
Income Tax Refund (A. Y. 2010-11)	112,070	-
	<b>20,000,954</b>	<b>3,648,736</b>
<b>Note : 24.1</b> Lease Rent Income on property and furniture & fixtures are from Shangar Hospitality and also Refer Note No. 22.1 & Note No. 30		
<b>Note: 25-A) Cost of Land Purchased</b>		
<b>Cost of Land Purchased and Expenses</b>		
Purchased Stock in Trade	1,641,000	-
Fencing Expenses (Net of WIP)	727,526	619,097
	<b>2,368,526</b>	<b>619,097</b>
<b>Note : 25-B) Food, Beverages &amp; Consumables</b>		
Opening Stock	220,772	364,442
Add:Purchases	231,116	9,504,736
SUB-TOTAL	451,888	9,869,178
Less: Closing Stock	-	220,772
<b>Material consumed</b>	<b>451,888</b>	<b>9,648,406</b>
<b>Note : 25-C) Schemes Development Expenses</b>		
Development Expenses - Schemes	552,173	2,290,073
	<b>552,173</b>	<b>2,290,073</b>
<b>Note: 26 Increase/(Decrease) in Stocks</b>		
Closing Stock of : Land	13,105,742	11,803,645
<b>Total (A)</b>	<b>13,105,742</b>	<b>11,803,645</b>
Opening Stock of : Land	11,803,645	12,759,669
<b>Total (B)</b>	<b>11,803,645</b>	<b>12,759,669</b>
Increase/(Decrease) in Stock (A - B)	<b>(1,302,097)</b>	<b>956,024</b>
<b>Note: 27 Employees Remuneration &amp; Benefits</b>		
Salary, Wages, Allowances & other Benefits	9,488,982	17,694,403
P. F. Contribution	168,653	464,221
Staff Welfare Expenses	103,879	99,299
	<b>9,761,514</b>	<b>18,257,923</b>
<b>Note: 28 Financial Cost</b>		
Interest on Bank Borrowings	3,457,430	2,821,666
Intest on other than Bank Borrowings	1,604,002	1,776,105
Bank Charges	13,804	23,052
	<b>5,075,236</b>	<b>4,620,823</b>

Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note: 29 Other Expenses</b>		
<b>A) Selling &amp; Distribution Expenses</b>		
Advertisement & Publicity	885,692	1,808,247
Sales Promotion Expenses	85,456	113,517
Sales Commission & Discount Allowed	226,476	1,042,679
Discount	70,000	302,889
Marketing Expenses	62,472	327,087
Ring Road (Ognaj) Development Expenses	654,388	-
	<b>1,984,484</b>	<b>3,594,419</b>
<b>B) Operating, Administrative &amp; Other Expenses</b>		
Bad- debts & Sundry Balances Written Off	2,966,380	310,040
Directors Sitting Fees	36,000	14,000
Donations	35,000	10,000
Electricity Expenses	700,623	4,538,145
GWLR Operations Exp	128,229	1,071,057
Legal & Professional Fees	2,644,975	2,515,444
Loss on Sale of Assets	377,170	55,000
Miscellaneous Administrative Expenses	4,242,806	1,145,228
Rates and Taxes excluding Taxes on Income	1,211,826	1,687,344
Rent	684,000	90,000
Repairs & Maintenance Expenses	537,984	1,306,331
Stationery & Printing Expenses	325,296	584,030
Telephone, Cable & Internet Expenses	450,312	855,360
Travelling & Conveyance Expenses	172,593	296,723
Vehicle Expenses	660,806	1,225,195
Auditor's Remuneration	224,720	270,571
Prior Period Expenses	106,340	1,163,553
	<b>15,505,060</b>	<b>17,138,021</b>
<b>Note : 29.1</b> Miscellaneous Administrative Expenses include penalty of Rs. 10,50,000/- paid to SEBI against the order passed in terms of Rule 6 of the SEBI Rules, 1995	<b>17,489,544</b>	<b>20,732,440</b>

Note : 29.2

Particulars	31/03/2014	31/03/2013
(i) Payments to the Auditors comprise :		
As Auditors - Statutory Audit	134832	134832
For Income Tax Matters	50562	51469
For Tax Audit	39326	39326
For Other Matters	-----	44944
<b>Total</b>	<b>224720</b>	<b>270571</b>

**Note: 30 Events occurring after the Balance Sheet**

The Company has vide lease deed with Shangar Hospitality given on lease its Resort with effect from 1st June 2013. However, since November 2013, the lessee has defaulted in clearing the payment and/or not paid lease rentals in terms of lease deed. The Company has taken legal action for recovery of the dues and vacating the Resort. The matter is subjudice and in the event of non recovery of dues, to the extent dues and other amount not received will affect the financial statement of the Company, the amount if any is subject to final Court verdict.



Particulars	Year Ending 31/03/2014 (Figures in ₹)	Year Ending 31/03/2013 (Figures in ₹)
<b>Note: 31 Contingent Liabilities &amp; Commitments (to the extent not provided for)</b>		
<b>A) Service Tax Liability Outstanding</b>		
(i) At CIT level	-	547,939
(ii) At Appellate Tribunal Level	9,251,306	7,023,327
<b>B) Income Tax Liability at CIT-(A) Level</b>		
Against order passed by ITAT set asiding the disputed assessment of A.Y. 1995-96, 1997-98, 2001-02, 2002-03. During the year the Income Tax department has made fresh assessment u/s. 143(3) raising demand of Rs.10087948/- besides interest Rs. 9249807/- (Against which as per records of the Company, in past company has deposited Rs. 3808836/- is subject to confirmation/reconciliation by Income Tax Department)		
<b>C) Labour Laws</b>		
	1,673,400	1,673,400

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

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

Particulars	31/03/2014	31/03/2013
<b>Note: 32</b> Value of imports calculated on CIF basis	NIL	NIL
<b>Note: 33</b> Expenditure in foreign currency	NIL	NIL
<b>Note: 34</b> Earnings in foreign exchange	NIL	NIL
<b>Note: 35</b> Amounts remitted in foreign currency during the year on account of dividend	NIL	NIL

## Note : 36 Segment Reporting

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

(i) Segment assets and liabilities:

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

(ii) Segment revenue and expenses

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

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

Particulars	31/03/2014			31/03/2013		
	Resort	Real Estate	Total	Resort	Real Estate	Total
<b>REVENUE</b>						
Domestic Income	5935044	23237913	29172957	33464605	32789216	66253821
Export Income	NIL	NIL	NIL	NIL	NIL	NIL
Inter-segment Income	NIL	NIL	NIL	NIL	NIL	NIL
<b>RESULTS</b>						
Segment Results						
Unallocated Corporate Expenses	NIL	NIL	34873125	NIL	NIL	62298251
Operating Profit			17340953			34482298
Interest Expense	8056	5067180	5075236	16092	4604731	4620853
Interest Income			2045898			1492168
Other Income			18706834			2692527
Income Tax			2739587	—	—	2847502
Net Profit			7237741			671940
<b>OTHER INFORMATION</b>						
Segment assets						
Unallocated Corporate Assets			244502312			246145672
Total Assets						
Segment Liabilities						
Unallocated Corporate Liabilities						
Capital Expenditure						
Depreciation			5551576			5708247
Other on Capital Expenditure						

## Note : 37 – Related Party Disclosure

### A. List of Related Parties and Relations

#### 1. Subsidiaries, Fellow Subsidiaries and Associates

- Sterling Resorts Private Limited

#### 2. Key Management Personnel

- Mr. B. Kumar
- Mr. Ankit Mathur
- Mrs. Meeta Mathur
- Mr. Bharat Kumar Lekhi
- Mrs. Shivangi Mathur

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

- Sterling Resorts Private Limited
- Madhu Agarwal
- Nipur Agarwal
- Om Kumar
- Siddharth Seth
- B. Kumar (HUF)
- Banwarilal Charitable Trust

- M/s. Architect Yetinder Mathur
- Mr. Kunal Mathur
- Mrs. Kusum B. Kumar

**A. (I) Transactions with Related Parties :-**

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Managerial Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Interest Paid	—	—	276738	1159530	185994	28728
Remuneration	—	—	1681759	2686500	900000	—
Professional fees	—	—	—	—	365170	337080
Rent	—	—	—	—	90000	90000
Acceptance of loan	—	—	—	4105136	—	28728
Repayment of loan	—	—	5532890	7838533	278000	—
Loans Given	—	—	—	—	—	—

**(ii) Outstanding transactions with related parties**

Particulars	Subsidiaries, Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Management Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Unsecured Loans	—	—	656020	7136852	2052657	715735
Loans & Advances	—	—	—	—	—	—
Salary payable	—	—	136266	1284949	655318	—
Rent Payable	—	—	—	—	480233	1083480
Professional Fees Payable	—	—	—	—	605042	—
Outstanding Liabilities	—	—	—	—	—	201363

**Note 38—Lease**

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

**Notes:-**

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

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

Lease payment recognised in Profit and Loss A/c for the period

- The total yearly lease payment ₹ 1,80,000/-
- Minimum lease per annum ₹ 1,80,000/-

## Note 39 – Earning Per Share

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

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

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

Particulars	This Year	Last Year
Earning Available for share holders (₹)	7237741	671940
Weighted average of Equity Shares	4239688	4239688
Basic & Diluted EPS (₹)	1.71	0.16
Face value of share	₹ 10/-	₹ 10/-

**Note 40 :** Previous year figures have been regrouped/rearranged so as to make them comparable with current year's figures.

**Note 41 :** The Provision for Current year's Income Tax ₹ 2739587/- ( Previous Year ₹ 2847502/-) has been made on estimated basis for the accounting year ended on 31/03/2014. The actual tax liabilities of the Company will be determined on the basis of taxable income of the Company for A.Y. 2014-15.

**Note 42 :** Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act 2006" as at March 31<sup>st</sup> 2014.

Signatures to the Notes '1' to '42'

As per our separate report of even date attached

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

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

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

FOR AND ON BEHALF OF THE BOARD  
**STERLING GREENWOODS LIMITED**

**B. KUMAR**  
Chairman

**BHARAT KUMAR LEKHI**  
Managing Director

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

## **STERLING RESORTS PRIVATE LIMITED**

**28<sup>th</sup> ANNUAL REPORT**

**2013 - 14**

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **STERLING RESORTS PRIVATE LIMITED** will be held on Monday the 30<sup>th</sup> September 2014 at the registered office of the Company at 04.00 p.m. to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2014 and Profit and Loss Account for the year ended on 31st March 2014 together with Directors' and Auditors' Report
2. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**BY ORDER OF THE BOARD**

PLACE : AHMEDABAD  
DATE : 30<sup>th</sup> May, 2014

**B. KUMAR**  
**CHAIRMAN**

### Registered Office :

Sunrise Centre, Opp. Drive-In Cinema, Ahmedabad - 380 054. Tel. : 079 - 2685 1680, 2685 0935, 2685 1223  
E-mail : officeofmd@sterlinggreenwoods.com Website : sterlinggreenwoods.com CIN : U55101GJ1986PTC008664

**NOTE :** 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.

## DIRECTORS' REPORT

Dear Members,

The Directors have pleasure to present 28<sup>th</sup> Annual Report and Audited Accounts for the financial year ended on 31st March, 2014.

### FINANCIAL RESULTS:

During the year under review, the Company has incurred pre-operative expenses amounting to Rs. 3,77,888/- .The Master Plan for Mt. Abu has already been prepared as per directives of the Hon'ble Supreme Court and it is awaiting final approval from the Govt. of Rajasthan. In the meantime, we have already obtained NA/NOC from the Municipal Corporation of Mt. Abu for electricity and water connection.

In view of the fact that during the year under report, there was no business and no generation of 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.

### FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public during the period. No deposits are outstanding as on 31<sup>st</sup> March, 2014

### PARTICULARS OF EMPLOYEES:

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

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- That in the preparation of the Annual Accounts for the financial year ended on 31<sup>st</sup> March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the Profit of the Company for the year ending on that date ;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the annual accounts for the financial year ended on 31st March 2014 on a going concern basis.

### AUDITORS:

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

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

The Company does not consume Energy in its business; so matter of Energy Conservation is not applicable to the Company. The Company does not use any Technology procured from outside Agency; hence Technology Absorption is not applicable to the Company. The Company does not have any Export Earnings in the Financial Year 2013-14; hence particulars of Foreign Exchange are not applicable to the Company.

FOR & ON BEHALF OF THE BOARD  
STERLING RESORTS PRIVATE LIMITED

PLACE : AHMEDABAD  
DATE : 30<sup>th</sup> May, 2014

B. KUMAR  
CHAIRMAN

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**STERLING RESORTS PVT. LTD.**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sterling Resorts Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2014 and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, is not applicable to the Company.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, dealt with by this Report are in agreement with the books of account.



# Sterling Resorts Pvt. Ltd.



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- d. In our opinion, the Balance Sheet, comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For ANIL S. SHAH & CO.**

Chartered Accountants

PLACE : AHMEDABAD

DATE : 30<sup>th</sup> May, 2014

**ANIL S. SHAH**

(Partner)

Firm Reg. No. : 100474W

Member No. : 16613

## BALANCE SHEET AS AT 31ST MARCH 2014

No.	Particulars	Note	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	675,000	675,000
	(b) Reserves and Surplus	3	1,049,896	1,049,896
(2)	<b>Share application money pending allotment</b>		-	-
(3)	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	4	4,235,759	3,760,935
	(b) Deferred tax liabilities (Net)	5	-	-
	(c) Other Long term liabilities	6	891,795	891,795
	(d) Long term provisions	7	-	-
(4)	<b>Current Liabilities</b>			
	(a) Short-term borrowings	8	-	-
	(b) Trade payables	9	-	-
	(c) Other current liabilities	10	-	-
	(d) Short-term provisions	11	5,500	5,500
	<b>Total</b>		<b>6,857,951</b>	<b>6,383,126</b>
<b>II.</b>	<b>Assets</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets	12	1,934,083	1,847,147
	(i) Tangible assets			
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	13	-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long term loans and advances	14	206,128	196,128
	(e) Other non-current assets	15	4,652,740	4,274,851
(2)	<b>Current assets</b>			
	(a) Current investments	16	-	-
	(b) Inventories	17	-	-
	(c) Trade receivables	18	55,000	55,000
	(d) Cash and cash equivalents	19	10,000	10,000
	(e) Short-term loans and advances	20	-	-
	(f) Other current assets	21	-	-
	<b>Total</b>		<b>6,857,951</b>	<b>6,383,126</b>

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

As per our report of even date,

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

**FOR AND BEHALF OF THE BOARD**  
**STERLING RESORTS PRIVATE LIMITED**

**ANIL S. SHAH**  
(Partner)

**B. KUMAR**  
CHAIRMAN

**KUSUM B. KUMAR**  
DIRECTOR

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

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

PLACE : AHMEDABAD  
Date : 30<sup>th</sup> May, 2014

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2014

### NOTE NO : 1 : SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The accounting policies have been consistently applied by the Company and are in consistent with those used in previous year.

#### b) Use of Estimates

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

- c) The company generally follows mercantile system of accounting

#### 1.2 Disclosure of Accounting Policies

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

#### 1.3 Contingencies and Events occurring after Balance Sheet date

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

#### 1.4 Depreciation Accounting

- a) The Gross Block of fixed assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.
- b) Depreciation on fixed assets is not provided on 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.

#### 1.5 Accounting of Fixed Assets

##### a) Tangible assets

Tangible assets are stated at historical cost.

#### 1.6 Earning per Share

As the Company has not undertaken any commercial activity during the year, the Company has not prepared Statement of Profit and Loss Account for the year under review. Hence basic earnings per share are not disclosed in the Statement of Profit and Loss Account.

#### 1.7 Consolidated Financial Statements

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

## 1.8 Impairment of Assets

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

## 1.9 Provisions, Contingent Liabilities and Contingent Assets

### Provisions

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

## 1.10 Disclosure required under the Companies Act, 1956

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

### 2. Directors' Remuneration

Particulars	This Year (₹)	Last Year (₹)
Remuneration	Nil	Nil
Contribution to Superannuation Fund	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

## NOTES TO BALANCE SHEET

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 2 Share Capital</b>		
Authorised : 70000 Equity Shares of ₹ 10/- Each	700,000	700,000
Issued 67500 Equity Shares of ₹ 10/- Each	675,000	675,000
Subscribed and fully paid up 67500 Equity Shares of ₹ 10/- Each	675,000	675,000

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

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	67,500	67,500
Add : Shares issued	0	0
Less : Shares cancelled	0	0
Equity Shares at the end of the year	67,500	67,500

1.2 Terms attached to Equity Shares :

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

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

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

1.3 The details of Shareholders holding more than 5% shares :

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Sterling Greenwood Ltd.	64179	95.08	64179	95.08

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

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 3 Reserves &amp; Surplus</b>		
<b>(A) Revaluation Reserve</b>		
Balance as per last year	1,330,205	1,330,205
LESS : Transfer to P&L A/c.	-	-
<b>Balance</b>	<b>1,330,205</b>	<b>1,330,205</b>
<b>(B) Surplus in the Statement of Profit &amp; Loss</b>		
As at Commencement of the Year	(280,309)	(280,309)
Add : Transferred from Profit & Loss Account	-	-
<b>Balance</b>	<b>(280,309)</b>	<b>(280,309)</b>
Less : Appropriations	-	-
Balance	(280,309)	(280,309)
<b>Net Surplus as per Statement of Profit &amp; Loss (B)</b>	<b>(280,309)</b>	<b>(280,309)</b>
<b>TOTAL RESERVES AND SURPLUS (A + B)</b>	<b>1,049,896</b>	<b>1,049,896</b>

# Sterling Resorts Pvt. Ltd.



Annual Report F. Y. 2013-14

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note : 4 Long-Term Borrowings</b>		
<b>A) Secured Loans</b>	-	-
<b>B) Unsecured Loans</b>		
a) From Directors	172,930	172,930
b) From Related Parties		
i) Holding Company Sterling Greenwood's Ltd.	3,889,948	3,415,124
ii) Inter-Corporate Deposits	172,881	172,881
	<b>4,235,759</b>	<b>3,760,935</b>
<b>Note : 5 Deferred Tax Liability</b>		
	-	-
<b>Note : 6 Other Long Term Liabilities</b>		
Unsecured	-	-
Loans and Advances	-	-
From others	891,795	891,795
	<b>891,795</b>	<b>891,795</b>
<b>Note : 7 Long Term Provisions</b>		
Other Provisions		
	-	-
<b>Note : 8 Short Term Borrowings</b>		
A) Secured Loans		
B) Unsecured Loans		
	-	-
<b>Note : 9 Trade Payables</b>		
Other Payables		
	-	-
<b>Note: 10 Other Current Liabilities</b>		
	-	-
<b>Note:11 Short-Term Provisions</b>		
Other Provisions	5,500	5,500
	<b>5,500</b>	<b>5,500</b>
<b>Note: 13 Non-Current Investments</b>		
Long Term Investment		
	-	-
<b>Note : 14 Long-Term Loans &amp; Advances</b>		
<b>A) Secured Advances</b>	-	-
<b>B) Unsecured Advances</b>		
i) To Related Parties	-	-
ii) Advance to Others	115,648	105,648
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
iii) Income Tax & TDS	90,480	90,480
	<b>206,128</b>	<b>196,128</b>

**NOTE :12 FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OP. BAL. AS ON 1/4/2013	ADDITION	DISPOSAL OR TRF TO STOCK	TOTAL AS ON 31/3/2014	OP BAL. AS ON 1/4/2013	DEPRE. FOR THE YEAR	DEDUCTION	TOTAL DEPRE. 31/3/2014	NET BLOCK 31/3/2014	NET BLOCK 31/3/2013
LAND	1574500	-	-	1574500	-	-	-	-	1574500	1574500
Leased Land	101980	-	-	101980	-	-	-	-	101980	101980
Dead Stock	3566	-	-	3566	-	-	-	-	3566	3566
Furniture & Fixtures	29905	-	-	29905	-	-	-	-	29905	29905
Club Kitchen Equipment	20341	-	-	20341	-	-	-	-	20341	20341
Club Equipment	3820	-	-	3820	-	-	-	-	3820	3820
Vehicles	751	-	-	751	-	-	-	-	751	751
Tent at Mount Abu	112284	86936	-	199220	-	-	-	-	199220	112284
<b>TOTAL</b>	<b>1847147</b>	<b>86936</b>	-	<b>1934083</b>	-	-	-	-	<b>1934083</b>	<b>1847147</b>
<b>PREVIOUS YEAR</b>	<b>1734863</b>	<b>112284</b>	-	<b>1847147</b>	-	-	-	-	<b>1847147</b>	<b>1734863</b>

# Sterling Resorts Pvt. Ltd.



Annual Report F. Y. 2013-14

Particulars	31/03/2014 (Figures in ₹)	31/03/2013 (Figures in ₹)
<b>Note: 15 Other Non Current Assets</b>		
A) Secured Advances	-	-
B) Unsecured Advances - Long Term	-	-
Preliminary Expenses ( to the extent not written off)	3,500	3,500
Preoperative Exp pending allocation	4,649,240	4,271,351
<b>Total</b>	<b>4,652,740</b>	<b>4,274,851</b>
<b>Note: 16 Current Investments</b>		
<b>Investment in Shares &amp; Securities</b>	-	-
	-	-
<b>Note: 17 Inventories</b>	-	-
	-	-
<b>Note: 18 Trade Receivables</b>		
Debtors outstanding for a period exceeding six months		
Considered Doubtful	55,000	55,000
	<b>55,000</b>	<b>55,000</b>
<b>Note :19 Cash &amp; Bank Balances</b>		
Cash in Hand	-	-
Balance with Nationalised Banks :		
In Current Accounts	10,000	10,000
<b>Note : 19.1 Balance confirmation not received / obtained by the Company</b>	<b>10,000</b>	<b>10,000</b>
<b>Note :- 20 Short Term Loans &amp; Advances</b>		
A) Secured Advances	-	-
B) Unsecured Advances	-	-
	-	-
<b>Note:- 21 Other Current Assets</b>		
Other	-	-
	-	-
	-	-

## Note : 22– Related Party Disclosure

### A. List of Related Parties and Relations

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

### B. Transactions with Related Parties:

#### i. Transactions with Related Parties :

Particulars	Holding Company		Key Management Personnel		Relatives of Key Management Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Acceptance of loan	474824	422885	-----	-----	-----	-----



## ii) Outstanding Transactions with Related Parties

Particulars	Holding Company		Key Management Personnel		Relatives of Key Management Personnel and Enterprise	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Loans taken	3889948	3415124	172930	172930	335244	335244
Loans and advances given	—	—	—	—	—	—

### Note 23—Lease Rental

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

#### Notes:-

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

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

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

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

Minimum lease per annum ₹ 90,000/-

**Note 24 :** Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act 2006” as at March 31st 2014.

**Note 25 :** Previous year figures have been regrouped / rearranged so as to make them comparable with current year’s figures.

Signatures to the Schedule ‘1’ to ‘25’

As per our separate report of even date attached

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

**FOR AND ON BEHALF OF THE BOARD**  
**STERLING RESORTS PRIVATE LIMITED**

**ANIL S. SHAH**

(Partner)

Firm Reg. No. : 100474W

Member No. : 16613

**B. KUMAR**  
**CHAIRMAN**

**KUSUM B. KUMAR**  
**DIRECTOR**

PLACE : AHMEDABAD

Date : 30<sup>th</sup> May, 2014

PLACE : AHMEDABAD

Date : 30<sup>th</sup> May, 2014

## FORM NO. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## Sterling Greenwood Ltd.

Sunrise Centre, Opp. Drive-In Cinema, Ahmedabad - 380 054.  
CIN : L51100GJ1992PLC017646

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the Tuesday of 30th September 2014 At 11.30 a.m. at the Greenwood Lake Holiday Resort, Chharodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi Ahmedabad 382 481 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

1. Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon (Ordinary resolution).
2. To appoint a Director in place of Mrs. Meeta Mathur who retires by rotation and is eligible for reappointment (Ordinary resolution).
3. Appointment of Auditors and fixing of their remuneration (Ordinary resolution).

### Special Business

4. Appointment of Mr. Bharat Kumar Lekhi as Director (Special resolution).
5. Appointment of Mr. Sudhir Kulkarni as Director (Special resolution).
6. Appointment of Mr. Umesh Lavingia as Director (Special resolution).
7. Appointment of Mr. Padmanabha V Iyer as an Independent Director of the Company (Special resolution).
8. Appointment of Mr Virendra Singh M Rawat as an Independent Director of the Company (Special resolution).
9. Appointment of Mr. Basant Kumar As Executive Chairman (Special resolution).
10. Appointment of Mr. Umesh Lavingia As vice Executive Chairman (Special resolution).
11. Appointment of Shri Bharatkumar V Lekhi As Managing Director (Special resolution).
12. Increase in Borrowing powers pursuant to section 180(1)(c) of the companies Act, 2013 (Special resolution).
13. To Charge, Mortgage immovable properties of the company in favor of lenders for securing the borrowings of the company u/s 180(1)(a) (Special resolution).
14. Alteration of Article of Association (Special resolution).

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

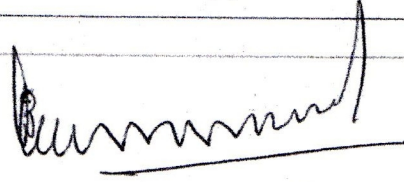

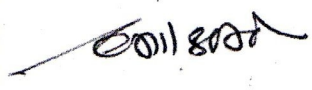
# sterling greenwoods ltd.

sunrise centre, opp. indraprasth towers, drive-in-cinema road, ahmedabad-380054. india  
phone : +91-79-26851680 / 26850935 • fax : +91-79-26854773  
e-mail : info@sterlinggreenwoods.com • web : sterlinggreenwoods.com  
Corporate Identity Number : L51100GJ1992PLC017646



## FORM A (As per Clause 31A of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Sterling Greenwoods Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5	To be signed by:	
	Shri Bharat Kumar Lekhi Managing Director	
	Shri Kantilal Panchal Chief Financial Officer	
	Shri Anilkumar Shah Auditor of the company	
	Shri P. V. N. R Iyer Independent Director Audit Committee Chairman	