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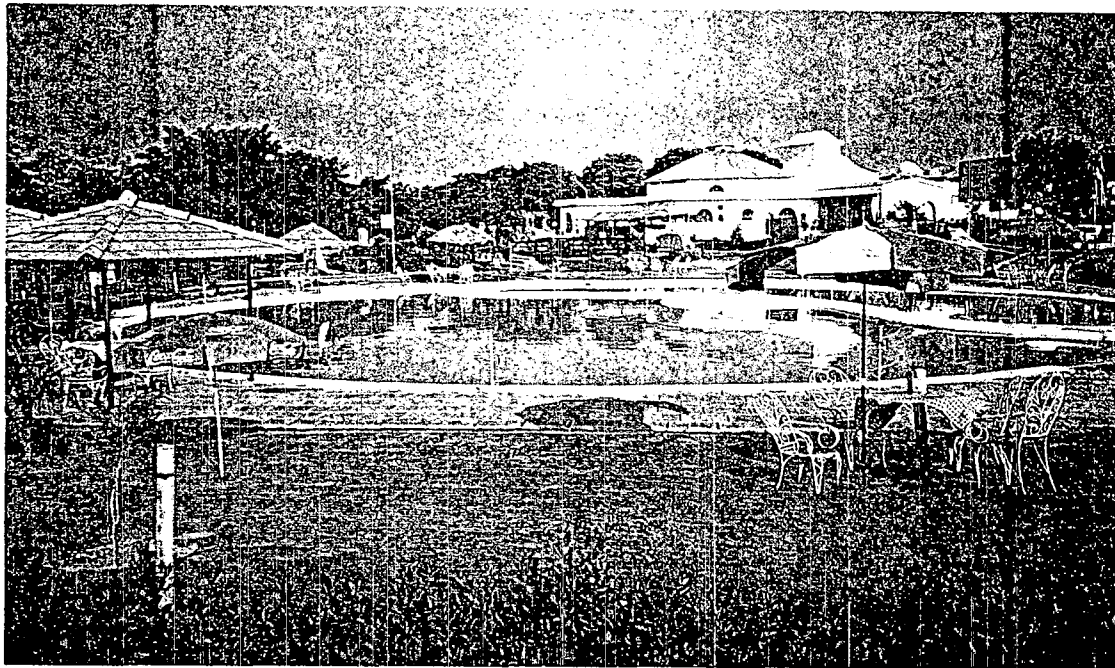


STERLING GROUP

Report and Accounts 1997



Sterling Enterprises Limited



A view of our Resort and the Charming Fun-pool



ReportJunction.com



Garden City Luxury Bungalow



STERLING GROUP

STERLING ENTERPRISES LIMITED**ANNUAL REPORT & ACCOUNTS 1997****BOARD OF DIRECTORS**

B. Kumar Chairman
 S.S. Ringwala Managing Director
 Kusum B. Kumar Whole Time Director
 Meeta Mathur Whole Time Director
 M.N. Khericha Director
 Ashwin Lalbhai Shah Director
 Umesh Lavingia Director
 OM Kumar Director
 Kunal Mathur Director

LEGAL ADVISER

Ashwin Lalbhai Shah

AUDITORS

M/s. Dinesh M. Mehta & Co.
 Vijay Complex,
 Vasna,
 Ahmedabad.

BANKERS

Bank of India
 The Ahmedabad Peoples Co-op. Bank Ltd.
 The Vishnagar Nagrik Sahakari Bank Ltd.
 Bank of Maharashtra

REGISTERED OFFICE

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

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STERLING ENTERPRISES LTD.

FROM THE CHAIRMAN

Dear Shareholders,

The year 1996-97 has been a difficult year for the industries in India in general and Real Estate sector in particular. Due to sluggish demand in real estate all over the country including Ahmedabad the prices have crashed down by anything between 20% to 40%.

In this depressing scenario, it is gratifying to note that your Company was able to perform well without resorting to reduction of prices. Thanks to the long term perspective adopted by the Company and the comprehensive range of infrastructure developed by it, the Company was able to achieve a 37% increase in sales of its bungalows and plots.

Continuing growth, profitability, dividend.

During the year the income of the Company increased by 19% and profit before tax increased by 34%. The Board of Directors in their meeting held on 21st August'97 were pleased to recommend a dividend of 12% on the paid up capital.

Real Estate - Future Projections.

Looking to the good demand for its schemes of bungalows the company is planning to offer 50 units of Luxury bungalows during 97-98 at a value of Rs.10.00 Crores in addition to the sale of 200 plots. The Company has adequate land for the above and hence does not expect any difficulty in achieving a substantially higher growth and profitability.

Nature Cure Health Club.

The Center is now fully operational and is becoming increasingly popular with a corresponding growth in turnover.

Greenwoods Lake Resort

The turnover of the Resort continues to be satisfactory. To achieve a higher level of growth, an ambitious expansion scheme has been worked out, involving an outlay of Rs.628 lakhs to cover the following :

- a) Additional 18 Deluxe Suites and 12 Rooms.
- b) A new Gift Shop and a Games Room.
- c) A water park cum family entertainment centre.
- d) A conference hall to accommodate upto 250 persons.

The Gujarat State Financial Corporation, and the Gujarat Industrial Investment Corporation have already accorded in-principle approval to the proposal for sanction of a loan of Rs.375.00 lakhs.

The work on the expansion project has already commenced and, subject to unforeseen circumstances, is likely to be completed in March '98 which will bring in additional income of over Rs.300 lakhs from the first year of operation.

Future Scenario.

You will thus see that the Co. is geared for substantial growth and higher profitability in the years to come resulting in higher profits and dividends to our shareholders.

In conclusion, my colleagues on the Board and I would like to express our gratitude to the team of the Company's Officers and Staff for their continued hard and sincere work, which has enabled the Company to continue in the path of growth and excellent results for the Fifth year in succession.

Yours sincerely,

Place : Ahmedabad
Date : 21st August, 97

(B. KUMAR)

ANNUAL REPORT 1996-97**NOTICE**

Notice is hereby given that the 5th Annual General Meeting of the members of Sterling Enterprises Ltd. will be held on Tuesday, the 30th September 1997 at 12.00 noon at the Company's Greenwoods Lake Holiday Resort, Charrodi Farm Complex, Off Sarkhej-Gandhinagar Highway, Opp: Village Chharodi, Ahmedabad, to transact the following business.

ORDINARY BUSINESS.

- 1) To receive, consider and adopt the audited Balance-Sheet of the Company as at 31st March 1997 and the Profit & Loss Account for the year ended on that day and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on equity shares.
- 3) a) To appoint a Director in place of Shri Ashwin Lalbhai Shah, who retires by rotation and being eligible offers himself for re-appointment.
b) To appoint a Director in place of Shri M.N. Khericha, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS.

- 5) To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:-
"Resolved that Shri Kunal Mahtur, in regard to whose appointment as a Director of the Company necessary notice under Section 257 of the Companies Act 1956 has been received, be and is hereby appointed as a Director of the Company liable to retire by rotation".

(By Order of the Board)
For **STERLING ENTERPRISES LTD.**

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(S.S. RINGWALA)
MANAGING DIRECTOR

Ahmedabad
Dated: 21.8.97

NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of himself and, the proxy need not be a member of the Company. The instrument appointing the proxy shall be deposited at the Regd. Office of the Company not later than 48 hours before the time fixed for holding the meeting. In default, the instrument of proxy shall not be treated as valid.
- 2) An explanatory statement pursuant to Section 173 of the Companies Act 1956, in respect of business under Item No.5 is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September'97 to 30th September'97, both days inclusive. The dividend, if declared, will be paid to those members entitled thereto and whose names appear on the register of members of the Company on 30.9.97.
- 4) Members are requested immediately to intimate any changes in their address registered with the Company.
- 5) The members are requested to bring their copies of report and accounts to the meeting.
- 6) Members desirous of any information on the accounts at the meeting are requested to send their queries atleast 10 days before the meeting, to the Regd. Office of the Company.
- 7) The Company will provide transport arrangement at 11.00 A.M. at the Registered Office to take the Shareholders to the venue of the meeting.

**STERLING ENTERPRISES LTD.****ANNEXURE TO THE NOTICE:**

Explanatory statement of material facts under section 173(2) of the Companies Act 1956 in respect of Item No.5.

Shri Kunal Mathur was appointed by the Board as an Additional Director of the Company on 31.5.97 to hold office till the date of the next Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and Article 137 of the Articles of Association of the Company.

Shri Kunal Mathur is an experienced Architect and Project Designer. With his vast experience in the field of architecture and project designing, Shri Kunal Mathur will be in a position to assist the Company in the planning of its townships. In the opinion of the Board, it will be in the interest of the Company to appoint Shri Kunal Mathur as a Director of the Company liable to retire by rotation.

The Company has received necessary notice along with the requisite fees from a member in terms of Section 257 of the Companies Act 1956 for the appointment of Shri Kunal Mathur. Your Directors seek approval of members for the appointment of Mr. Kunal Mathur.

Shri B. Kumar, Chairman, Smt. Kusum B. Kumar, Smt. Meeta Mathur and Shri Om Kumar, are related to Shri Kunal Mathur and to this extent may be considered as interested or concerned in the appointment of Shri Kunal Mathur as a Director of the Company.

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ANNUAL REPORT 1996-97

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

PARTICULARS	1992-93	1993-94	1994-95	1995-96	1996-97
A. Sales					
(a) Real Estate					
(1) Sale of Plots	145.97	156.02	216.65	384.73	508.04
(2) Sale of Bungalows	NIL	NIL	NIL	193.26	254.72
(b) GWLR holiday member ship scheme	50.66	33.67	65.98	56.15	2.59
(c) Resort Sales/Club Membership	10.51	11.37	53.58	95.32	79.67
Total	207.14	201.06	336.21	729.46	845.02
B. Income					
(a) Real Estate - Design, Prof.fees/ Resales	45.33	72.87	117.06	177.44	239.99
(b) GWLR Membership	11.01	9.30	20.41	17.57	3.88
(c) Club Subscription	9.33	6.30	26.57	13.53	4.15
(d) Resort Operation	1.18	5.07	27.01	81.79	76.29
(d) Misc	8.06	6.11	3.72	30.38	58.46
Total	74.91	99.65	194.77	320.71	382.77
C. Profit before Tax	8.74	10.81	38.34	69.96	94.79
D. Income Tax	3.68	0.60	1.00	NIL	12.24
E. Profit After Tax	5.06	10.21	37.34	69.96	82.55
F. Dividend paid / Proposed	NIL	NIL	NIL	21.56	51.74
G. Tax on Dividend	NIL	NIL	NIL	NIL	5.17
H. Paid up capital & reserves					
a. paid up capital	172.00	172.00	359.23	423.00	423.75
b. reserves (excluding revaluation reserve)	5.06	15.26	52.61	101.00	126.66
I. Net Worth	162.90	174.89	384.83	500.09	529.60
J. Assets base (Gross)	315.22	440.20	525.37	1320.00*	1411.79
K. Book value of share	9.47	10.16	10.69	11.92	12.61
L. EPS	0.29	0.59	1.04	1.65	1.95

* Includes addition of Rs. 649.00 on revaluation.

**STERLING ENTERPRISES LTD.****DIRECTORS REPORT**

To,
Members

We have pleasure in presenting the Fifth Annual Report together with the audited accounts for the year ended, 31st March 1997.

FINANCIAL RESULTS.

For the Financial Year ended on

Particulars	March 31st, 1997 Rs.in Lacs	March 31st, 1996 Rs.in Lacs
a) Income from Sales & Operations	324.31	290.33
b) Other Income	58.46	30.38
c) Total Income	382.77	320.71
d) Expenditure during the year	268.71	240.28
e) Net surplus from operations.	114.06	80.43
f) Depreciation	19.27	9.80
g) Profit before Taxes	94.79	70.63
h) Provision for Taxes	12.23	0.67
Profit after taxation	82.56	69.96
Add : Balance brought forward from previous year	101.01	52.60
Profit available for appropriation	183.57	122.56
Appropriation		
Dividend Proposed	51.74	21.56
Tax on Dividend	5.17	0
General Reserve -	0.00	0.00
Balance profit carried forward to Balance sheet	126.66	101.00

Dividend :

Your directors have pleasure to recommend a dividend of 12% on paid up equity share capital of the Company. The total dividend payout will amount to Rs.51.74 Lakhs.

PERFORMANCE :

During the year, the company continued to sell with success, plots in the Garden City III, Garden City IV & Garden City V Schemes of the Company inspite of the fact that the real estate market was in a depressed state since November 1996. The billing during the year against sales amounted to Rs.508.00 lakhs.

The Bungalow construction schemes of the company, commenced during 1995-96, also elicited good response and the Company has been able to sell 32 bungalows out of 41 bungalows offered for sale. The billing during the year on bungalow sales amounted to Rs.255.00 lakhs.

EXPANSION PROGRAMME:

The Company has plans to launch during the current year, an expansion scheme to add 18 Luxury Suites, 12 Rooms, a Club House, and Conference facilities apart from a Mini Water Park and upgradation of the existing facilities at the Greenwoods Lake Holiday Resort of the Company. This expansion is being planned to meet the increasing demand from the Corporate World for Conference facilities at our Resort. The expansion proposal of the Company has been registered by the Tourism Department of the Govt. of Gujarat for grant of financial incentives sanctioned by the State Govt. for Tourism Projects. The Company is hopeful that the planned expansion project can be successfully completed within a period of one year subject to the loans applied for, for the project by the company, being sanctioned by the Financial Institutions to whom applications have been made by the Company. The financial institutions to which applications have been made have already given in-principle approval to our proposals.

ANNUAL REPORT 1996-97**PUBLIC DEPOSITS:**

The public deposits held by the Company as on 31.3.97 amounted to Rs.32,385.00. There are no unclaimed deposits and no deposits which matured for payment during the year and were not repaid.

DIRECTORS :

Shri Kunal Mathur was appointed by the Board as an additional Director of the Company on 31.5.97 and he holds office upto the date of this Annual General Meeting. Your Directors recommend his appointment as a Director of the Company for which necessary notice U/S 257 of the Companies Act, 1956 has been received. Shri Kunal Mathur will be liable to retire by rotation.

Shri Ashwin Lalbhai Shah, Director, retires by rotation in accordance with the requirements of the Companies Act and is eligible for re-appointment.

Shri M.N. Khericha, Director, retires by rotation in accordance with the requirements of the Companies Act and is eligible for re-appointment.

AUDITORS :

M/s. Dinesh M. Mehta & Co., Chartered Accountants, Ahmedabad, the present auditors hold office until the conclusion of this General Meeting. M/s. Dinesh M. Mehta & Co. have furnished certificate under Section 224(1b) of the Companies Act 1956 and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES:

There were no employees who were employed during the year and were in receipt of remuneration exceeding Rs.3,00,000/- per annum or who were employed for a part of the year and were in receipt of remuneration exceeding Rs.25,000/- per month.

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

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

ACKNOWLEDGMENT:

The Board wishes to place on record its gratitude for the co-operation and assistance extended to the Company by the various government departments & Bankers.

The Board of Directors also wishes to place on record its appreciation of the dedicated services rendered by the employees of the Company at all levels.

FOR AND ON BEHALF OF THE BOARD

(S. S. RINGWALA)
MANAGING DIRECTOR

Place : Ahmedabad
Date : 21.8.1997