

STERLING GROUP

Annual Report and Accounts 2000

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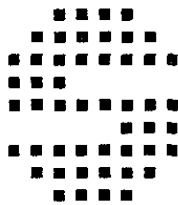


Sterling Enterprises Limited

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STERLING ENTERPRISES LIMITED

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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
- OM Kumar Director
- Kunal Mathur Director
- Atul Seth Director
- Neeta A. Seth Director

LEGAL ADVISER :

- Ashwin Lalbhai Shah

AUDITORS :

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

BANKERS :

- The Ahmedabad Peoples Co-op. Bank Ltd.
- The Visnagar Nagrik Sahakari Bank Ltd.
- Global Trust Bank Ltd.
- Bank of India

REGISTERED OFFICE :

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



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STERLING ENTERPRISES LTD.**FROM THE CHAIRMAN**

Dear Shareholders,

The Year 1999-2000 witnessed further deterioration in demand in the real estate sector. The company's real estate sales fell further by 61 %.

However, since around the beginning of 2000, a positive trend is noticeable with an apparent growth in the No. of enquiries. We can look forward to a substantial improvement in real estate sales in the next year, i.e. 2000- 2001 compared to the previous year. In fact, during April'2000 & Aug'2000. real estate sales have been Rs. 60 lakhs.

Greenwoods Lake Resort.

The sales turnover of the Resort remained almost same as last year, However, as a result of stricter controls and cost reduction measures, the gross profit during the year rose substantially higher. (Against 7 % up Compared to last year.)

Green woods club/ Time Share Scheme.

The new scheme proposed to be launched, has been deferred due to delay in completion of the new Club building. It is proposed to launch the same by October'2000.

Profitability/ Dividend.

During the year, the income of the company decreased by 18 %. The Board of Directors at their meeting held on 05.09.2000 have decided to skip the dividend for the year under consideration in view of the unsatisfactory performance.

Acknowledgment.

I thank my colleagues in the Board and also express gratitude to the team of the company's officers and staff for their unstinted support during difficult times.

Place :- Ahmedabad.
Date :- 05/09/2000.

Yours Sincerely,
B.KUMAR

ANNUAL REPORT 1999-2000**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the members of Sterling Enterprises Limited will be held on Saturday, 30th September 2000 at 11.00 A.M. at the company's Greenwood Lake Holiday Resort, Chharodi Farm Complex, off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2000 and Profit & Loss A/c. for the year ended on that date and the report of Directors and Auditors thereon.
- 2) a) To appoint a Director Shri Atul Seth, who retires on the date of AGM and being eligible offers himself for reappointment who has been appointed by the board.
b) To Appoint Director Smt. Neeta A. Seth, who retires by rotation and being eligible offers herself for reappointment who has been appointed by the board.
c) To appoint a director in place of Shri M.N. Khericha who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To, consider and, if through fit, to pass with or without modification, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to section 31 and other applicable provisions, of the Companies Act, 1956 (the Act) the Articles of Association of the Company be and hereby altered by inserting the following new Articles 10-A and 58-A after the existing Articles 10 and 58 respectively along with the heading and marginal notes.

10-A DEMATERIALISATION OF SECURITIES :

(1) Definitions For the purpose of this Article :

"SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means a Company formed and registered under the Company Act, 1956. and which has been granted a certificate of registration under Sub-Section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-laws" means bye-laws made by Depository under Section 26 of the Depository Act.

"Beneficial Owner" means person whose name is recorded as such with a Depository.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under Section 12 (1a) of The Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depository Act.

"Security" means such security as may be specified by SEBI.



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Words imparting the singular number only include the plural number and vice versa.

Words imparting persons included corporation.

Words and expression used and not defined in this Article shall have the same meanings as respectively assigned to them in the Depositories Act:

- (2) Either the Company or the investor may exercise an option to issue, Deal in, hold Securities.

(including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised. In which event the rights and obligations of the parties concerned and the matters connected there with or incidental thereof shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or reenactment thereof.

- (3) Dematerialisation of Securities.

Notwithstanding anything contained in these Articles, The Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities in the Depositories and or offer its fresh Securities in a dematerialisation form pursuant to the Depositories Act and the rules framed thereunder, if any.

- (4) Option to receive Securities certificates or hold securities with Depository.

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

- (5) Securities in Depositories.

All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in section 153, 153A, 187B, 187C and 372AA of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial Owners.

- (6) Rights of Depositories & Beneficial Owners.

(a) Notwithstanding anything to the contrary contained in the Act or these Articles.

Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights as the case may be in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and subject to all the liabilities in respect of his Securities which are held by depository.

- (7) Beneficial Owner Deemed absolute Owner.

Except as ordered by a court of Competent jurisdiction or as required by law, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of security in the record of the Depository, as the absolute owner thereof. The Company shall not be bound to recognise any benami trust or equitable. Contingent, future or partial interest in the Security (Except otherwise pro-

(4)

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vide by Articles) or any right in respect of the security other than an absolute right thereto in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall subject to the act, be at its sole discretion to register the Security in the joint names of the survivor or survivors of them.

(8) Depository to Furnish information.

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

(9) Cancellation of Certificates upon surrender by a person.

Upon receipt of Certificate of Securities for dematerialisation in terms of the applicable provisions of appropriate Acts or rules. The Company shall cancel such certificates and substitute in its recods, the name of the Depository as the Owner in respect of the Securities and shall also inform the Depository accordingly.

(10) Option to opt out in respect of any security.

If a Beneficial Owner seeks to opt of a Depository in respect of any security the Beneficial Owner shall inform the Company. The Company shall within thirty(30) days of the receipt of information from the Depository and fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of Securities to the beneficial Owner or the transferee as the case may be.

(11) Service of Document.

Notwithstanding anything in the Act, or these Articles of the contrary, where Securities are held in depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

(12) Provision of the Act and Articles to Securities held in the depository.

All the provisions of the Act and Articles of Association of the Company, particularly the provision relating to joint holding, calls, lien, forfeiture and transfer and transmission of the Depository Securities shall also be applicable to securities held in the Depository.

(13) Allotment of Securities dealt within a Depository.

Notwithstanding anything in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details to the Depository on allotment of such securities.

(14) Distinctive number of shares held in the Depository.

The Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive Numbering shall not apply to the shares of the Company which are dematerialised Or may be dematerialised in future or issued in future in dematerialised form.

(15) Register and index of Beneficial Owner.

The Company shall cause to keep a Register and index of Members and A Register And index of Debentureholders in accordance with section 151 and 152 of the Act Respectively read with the applicable provisions of the Depositor's Act with details of shares and debentures held in material and demat forms in any media as may be permitted by law.



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The register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of Members and Register and index of Debentureholders, as the case may be for the purpose of the Act. The Company shall have the power to keep in any state or outside India, a branch Register of Members in respect of the resident in that state or country.

(16) Register of Transfer.

The Company shall keep a Register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

(17) Trading and transfer of Securities.

Trading and transfer of Securities can be effected in the form permitted by appropriate authorities from time to time.

(18) Power of Board to take necessary action to Dematerialise Securities offered by Company.

The Board is authorized to take all such action and steps as may be necessary to dematerialise listed securities offered by the Company including executing deeds, documents and papers and appointing such persons and agencies as may be necessary to facilitate dematerialisation/ rematerialisation and trading in such securities.

58-A NOMINATION :

- (1) Every holder of Shares or Debenture of the Company may at any time, nominate in the prescribed manner, a person to whom shares in or debenture of the Company shall vest in the event of his death. A member may revoke or vary his or her nomination, at any time, by notifying the Company to that effect.

(6)

- (2) Where the Shares or debentures of the Company are held by more than one person jointly, the joint holders together, nominate, in the manner prescribed under the Act, a person to whom all the rights in the Shares or debenture of the company shall vest in the event of death all joint holders.

- (3) Notwithstanding anything contained in any other law for the time being in force in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination is made in manner prescribed under the Act, purports to confer on any person the rights to vest the shares or debentures of the Company. The nominee shall on the death of shareholder or debenture holder concerned, or on the death of the joint holders, become entitled all the rights in the share or debentures of the Company of such shareholder or holder of debentures or, as the case may be, of all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other person. Unless the nomination is varied, cancelled in the manner prescribed under the Act.

- (4) Where the nominee is a minor, the holder of the shares or debentures concerned, can make the nomination to appoint in the prescribed manner under the Act, any person to become entitled to the shares or debentures concerned in the event of his death during the minority.

- (5) Notwithstanding anything contained in these Articles, any person who becomes a nominee under the provision of Section 109A, and to whom the shares in or debentures of the Company have vested on the death of the Shareholders or holder of the debentures of the Company, or as the case may be, on the death of the joint holders, upon the production of such evidence as may be required by the Board, and subject as hereinafter provided elect either.

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- (a) to be registered himself as holder of the share or debenture as the case may be :
or
(b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder as the case may be, could have made.
- (6) If the person a nominee, so becoming entitled, elects to be registered as holders of the share or debenture himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him that nominee concerned so elects and such notices shall be accompanied with the death certificate of the deceased shareholder / debentureholder as the case may be.
- (7) All the limitations, restriction and provisions of this Act relating to the transfer and the registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder or debentureholder, as the case may be.
- (8) A person being a nominee becoming entitled to share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time give notice requiring any such person to elect to be registered himself or to transfer the share or debenture, and if, the notice is not complied with within ninety days,
- the Board may thereafter withhold all payments of all dividends, bonuses or other moneys payable in respect of the shares or debenture, until the requirements of the notice have been complied with.
- (9) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debentureholder as the case may be had transferred the shares or debentures as the case may be, before his death.
- (10) No person shall be recognized by the Company as a nominee unless the shareholder has, during his life time, giving an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.
- (11) The Company shall not be in any way responsible for transferring the shares and / or debentures consequent upon such information.
- (12) If the holder of the shares or debentures survive the nominee, then and in such case, the nominee made by the registered holder shall be of no effect and shall automatically stand revoked.
- (13) A depositor may, at any time, make a nomination and the provision of Section 109A and 109B shall as may be applicable to such nominations made pursuant to the provisions of Section 58A (11) of the Companies Act, 1956.
- RESOLVED FURTHER THAT** Shri S.S. Ringwala a Managing Director be and is hereby authorised to take all the necessary steps for printing the amended Articles of Association of the Company and also to sign all the agreements with the National Securities Depository Limited (NSDL) and Central Depository System Limited (CDSL) for dematerialised Equity Shares of the Company and negotiate with other agencies which have connectivity with NSDL and CDSL for dematerialised Equity Shares of the Company.


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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) The Register of Members and the Share Transfer Books of the company will remain closed from 23rd Sept.2000 to 30th Sept.2000 (both days inclusive.)
- 3) Members are requested immediately to intimate any changes in their addresses registered with the company.
- 4) The Members are requested to bring their copies of report and accounts to the meeting.
- 5) 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.
- 6) The company will provide transport arrangement at 10.00 A.M. at the Registered office to take the shareholders to the venue of the meeting.

Equity Shares in dematerialised form from 26th June,2000 to 26th March,2001. Consequently, the company will negotiate National Security Deposit Fund (NSDL) and Cental Depository service of (India) Ltd. (CDSL) and other agencies (which have connectivity with NSDL and CDSL) for admitting the Company's Shares under Depository System. The Equity Shares are available in dematerialised form with effect from 26th March,2001 and shall be available for trading in the electronic segment on the Stock Exchange at Mumbai,Ahmedabad and National Stock Exchange, Mumbai with effect from 26th March 2001. In order to bring the Articles of Association of the Company in line with Depositories Act, 1996.and the amendments made to the Companies Act, 1956 upon introduction of the depository Systems,and providing the nomination facilities to investors,are required to made in the existing Article of Association of the Company as specified in the Special Resolution to amend the articles. Accordingly, your directors recommend the resolution approval. The copy of the Memorandum and articles of Association of the Company and the Documents referred to in the Notice and in the Explanatory Statement are available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days excepting sunday and holidays. None of the Directors is concerned or interested in the said resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956

As directed by SEBI by its letters No.SMDRP/Policy/CIR 23/2000 dt.29th May,2000.it will be compulsory for Members who fall in the category of Financial Institutions(FIs,FLLS,Mutual Funds and Banks) and OCBS to deal in the company's

By Order of the Board of Directors

B.KUMAR
Chairman

Place :- Ahmedabad
Date :- 05.09.2000.