

STERLING GROUP
SINCE - 1965

10th Annual Report • 2001-2002

Report Junction

Sterling Enterprises Ltd

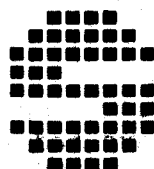
S. S. RINGWALA
Managing Director



STERLING ENTERPRISES LIMITED

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**STERLING ENTERPRISES LTD.****ANNUAL REPORT 2001-2002**STERLING GROUP
SINCE - 1965**STERLING ENTERPRISES LTD.****ANNUAL REPORT & ACCOUNT 2002**

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
	Atul Seth	Director
	Neeta A. Seth	Director
	Kunal Mathur	Director
	Umangbhai M. Vyas	Director

LEGAL ADVISOR : Ashwin Lalbhai Shah**AUDITORS : M/s. Dinesh M. Mehta & CO.**
Vijay Complex, Vasna,
Ahmedabad**BANKERS :**

- The Ahmedabad Peoples Co-op. Bank Ltd.
- The Vishnagar Nagrik Sahakari Bank Ltd.
- Global Trust Bank Ltd.
- Bank of India
- ICICI Banking Corporation Ltd.
- Kalupur Commercial Bank Ltd.
- Ahmedabad District Co-Operative Bank Ltd.

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



STERLING ENTERPRISES LTD.

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FROM THE CHAIRMAN

Dear Shareholders,

During the year 2001-2002 there was no appreciable improvement in the market demand for Real Estate products. In fact matters were made worse by the unprecedented riots in Ahmedabad / Gujarat from February 2002 onwards. The sale of the Row Houses were also affected on account of the temporary ban imposed by the Hon'ble Gujarat High Court for all property in the vicinity of water bodies.

Garden City Township :

As you know the Company has been developing a major township known as 'Garden City' on Sarkhej Gandhinagar Highway.

The following positive development are likely to contribute in a big way to the demand and future growth for Garden City.

- Development of prestigious Education Institutions in the neighbourhood like Nirma Institute of Technology, Gurukul Education Complex, Hiramani Public School, Balaji Temple Complex etc.
- Finalisation of the proposed 200' wide four lane ring road by the Ahmedabad Urban Development Authority which is touching the Garden City Complex. The construction of the road has already started.
- Development of infrastructure work and up market life style facilities provided by the Greenwoods Lake Resort to Garden city members.

Thrust on Agriculture :

The Government of India in their latest budget have announced a Policy Thrust on agricultural development and have declared a number of attractive subsidies and incentives.

In view of this the Company is considering launching of an Agro Park as well as a High Tech Green House Project.

The Company looks forward to a healthy turnover in business from this new area.

Financial Results :

The Company has been able to maintain its turnover in the field of Real Estate as well as the Resort.

However, on account of inadequate profits the Board of Directors' meeting held on 30/8/2002 has decided not to declare any dividend for the year under review.

Looking to the present trend of business, it is felt that the Company should be in a position to declare a dividend in the next year.

I thank my colleagues on the Board and also express gratitude to the team of the Company's officers and staff for their unstinted support.

Place : Ahmedabad

Date : 30-08-2002

Yours Sincerely

B. KUMAR

**STERLING ENTERPRISES LTD.****ANNUAL REPORT 2001-2002****NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the members of Sterling Enterprises Limited will be held on Monday, 30th September 2002, 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 2002 and Profit & Loss A/c for the year ended on that date and the report of Directors and Auditors thereon.
2. (a) To appoint Director Smt. Neeta Seth, who retires by rotation and being eligible offers herself for reappointment who has been appointed by the board.
b) To appoint Director Shri M. N. Khericha who retires by rotation and being eligible offers himself for reappointment who has been appointed by the board.
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

By Order of the Board of Directors

Place : Ahmedabad

Date : 30-08-2002

B. KUMAR

DIRECTOR REPORT

To,

To The Members of the STERLING ENTERPRISES LTD.

Your Directors have pleasure in presenting the Tenth Annual Report of your company together with the Audited Statement of Accounts for the year ended, 31st March 2002.

FINANCIAL RESULTS

For the Financial Year

Particulars	2001-2002 Rs. in Lacs	2000-2001 Rs. in Lacs.
a) Income from Sales & operations	300.79	234.04
b) Other Income	12.51	16.55
c) Total Income	313.30	250.59
d) Expenditure during the year	292.30	225.00
e) Net surplus from operation	21.00	25.59
f) Depreciation	22.04	21.10
g) Profit/Loss before Taxes.	(-) 1.04	4.17
h) Provision for Taxation	0.00	0.32
Profit/Loss after Taxation	(-) 1.04	4.17
Add : Balance brought forward from Previous year	152.06	147.89
Profit Available for appropriation	151.02	152.06
Proposed Dividend	NIL	NIL
Tax on Dividend	NIL	NIL
Balance Profit carried forward to Balance Sheet	151.02	152.06

* **Note :** in quarterly results we have estimated the profit of Rs. 8.42 Lacs but after adjustment of flexi schemes, Sale of Fixed Assets, Development Income the net result is loss of Rs. 1.04 Lacs.



STERLING ENTERPRISES LTD.

ANNUAL REPORT 2001-2002

DIRECTORS REPORT

PERFORMANCE :

During the year, the Real Estate business of the company has shown an upward trend in comparison to the performance during the previous year.

We are, however, happy to report that the resort business of the company has been showing an encouraging growth since last year. The Net Loss of Rs. 1.04 Lacs before Taxation in comparison to previous year Profit of Rs. 4.49 Lacs is because of certain accounting of flexi schemes, sale of assets, and Development Income.

However we are estimating good growth in the business and looking forward to new business plan of GREENSHOUSE, AGROPARK, DEVELOPMENT IN THE AREA.

DIVIDEND :

In view of the loss incurred during the year, the directors regret that they do not propose any dividend for the year 2001-2002.

PUBLIC DEPOSITS :

During the year, the company receive no public deposits and as on 31.03.2002, the company held no public deposits on its books. Therefore there are no unclaimed deposits and deposits which matured for payment during the year and were not repaid.

DIRECTORS :

Smt. Neeta Seth, whole time Director, retires by rotation and is eligible offer herself for reappointment.

Shri M. N. Khericha, Director, retires by rotation and is eligible offer himself for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

1. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. That the directors have prepared the Annual Accounts for the financial year ended March 31, 2002 on a "Going Concern" basis.

**STERLING ENTERPRISES LTD.****ANNUAL REPORT 2001-2002****AUDITORS :**

M/s. Dinesh M. Mehta & Co., Chartered Accountants, Ahmedabad, The present Auditors hold office until the conclusion of ensuing Annual General Meeting. The company has received a letter from them to the effect that their appointment, if made, would be within prescribed limits under Section 224(1) (b) of the Companies Act 1956 and are eligible for reappointment.

AUDITORS REMARKS :

In regard to the remarks of the Auditors in para 9 of the Annexure to their report, note 7 & 8 of the Notes on Accounts in Schedule 21, is self-explanatory of the position. Interest on the advances, which are not doubtful of recovery, is charged to the Parties and will be payable on redemption of the principal amounts.

PARTICULARS OF EMPLOYEES :

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, there were no employees who were employed during the year and were in receipt of remuneration exceeding Rs. 12,00,000/- per annum or who were employed for a part of the year and were in receipt of remuneration exceeding Rs. 1,00,000/- per month.

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

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

ACKNOWLEDGEMENT :

The Board wishes to place on record the valuable co-operation extended by various government departments GSFC & Company's Bankers for their continued assistance guidance and support.

The Board of Directors also grateful to the Employees, Shareholders, Customers and the general public for their support and confidence reposed in the Management. Your directors also place on record its appreciation of the dedicated services rendered by the employees to the company at all levels.

Place : Ahmedabad

Date : 30-08-2002

For and on Behalf of the Board

(S., S. Ringwala)
Managing Director

**STERLING ENTERPRISES LTD.****ANNUAL REPORT 2001-2002****AUDITOR'S REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of SERLING ENTERPRISES LIMITED. as at 31st March 2002 and also the Profit and Loss Account of the Company for the year ended on that date and report that :

1. As required by the manufacturing and other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the Annexure a statement on the matter Specified in paragraphs 4 & 5 of the said order :
2. Further to our comments in the Annexure referred to in Paragraph above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books except items of income and expenditure mentioned in Schedule 21 accounted for on cash basis.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with books of accounts.
 - (d) In our opinion, the Profit & Loss Accounts and Balance Sheet of the company dealt with by this report complies with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of our review of the confirmation received and the information and explanations given to us none of the directors of the company is, prima-facie, as at 31st March 2002 disqualified from being appointed as directors of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us the accounts read along with notes and accounting policies, give the information required by the Companies Act, 1956 in the manner so required and subject to the following :
 - (i) Note No. 7 of schedule 21 in respect of non-provision of gratuity liability, and
 - (ii) Note. No. 8 of schedule 21 in respect of doubtful advances for which no provision has been made give a true and fair view :
 - a. In the case of Balance Sheet, of the state of affairs of the Company, as at 31st March, 2002.
 - b. In the case of the Profit & Loss Account, of the LOSS of the Company for the year ended on that date.

Place : Ahmedabad

Date : 30-08-2002

For, Dinesh M. Mehta & CO.

Chartered Accountants

(Apurva C. Shah)

Partner

**STERLING ENTERPRISES LTD.****ANNUAL REPORT 2001-2002****ANNEXURE TO THE AUDITORS REPORT**

Annexure to the Auditor's Report referred to in paragraph 1 of our report of even date on the accounts of Sterling Enterprises Limited for the period ended on 31st March 2002.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The fixed assets of the company have been physically verified by the management at the year end. We are informed by the management that no material discrepancies have been noticed on such verification as compared to book records.
2. None of the fixed assets of the company have been revalued during the year.
3. The company does not carry and stock of finished goods, and raw materials except stores & tools and Land Plot which have been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of the verification is reasonable.
4. In our opinion, the procedures of physical verification of stores and tools followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. No discrepancies were noticed on physical verification of stores & tools and land plots as compared to book records.
6. On the basis of our examination of the stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the Preceding Year.
7. The rate of interest and other terms and conditions of loan taken by companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 are, in our opinion, prima facie not prejudicial to the interest of the company. There are no companies under the same management as defined under section 370 (1B) of the companies Act, 1956.
8. The rate of interest and the terms & condition of loans granted to companies, firms and/or other parties listed in the register maintained under Section 301 and, in our opinion, prima facie not prejudicial to the interest of the company as defined under section 370 (1b) of Companies Act, 1956 except trade advances.
9. In respect of loans and advances in the nature of unsecured loans given by the company to employees and other, the parties are regular for repaying the principal amount as stipulated and interest where ever charged. Advances to other parties include doubtful advance of Rs. 84.59 lacs as mentioned in Note. No. 8 of Schedule 21 for which provisions has not been made.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size & nature of the business, with regard to purchases of stores, plant and machinery, equipment and other assets and for sale of goods and services.
11. According to the information and explanations given to us, not transactions of goods and materials and sale of goods, materials and services were made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregation during the year to Rs. 50,000/- or more in respect of each such party.

**STERLING ENTERPRISES LTD.****ANNUAL REPORT 2001-2002**

12. The company has no by-product ~~Scrap~~ hence Clause 4(A) (xiv) of the order is not applicable.
13. The company has not accepted deposits from the public and hence the provisions of section 58 A of the Companies Act, 1956 and the rules framed thereunder are not applicable to the Company.
14. The Company did not have any formal internal audit system during the year under review. However, the company has explained that its internal control procedures involve reasonable internal checking of its financial records which is considered adequate under the circumstances.
15. We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
16. According to the records of the Company, provident fund dues have been Generally regularly deposited during the year with the appropriate authorities. As informed to us, provisions of Employees State Insurance Act, 1948 are not applicable to the Company.
17. According to the information and explanations given to us there are no undisputed amounts payable in respect of wealth-tax, sales-tax, custom duty and excise duty outstanding as at 31st March 2002 for a period exceeding six months from the date they became payable.
18. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account other than those payable under contractual obligation or in accordance with the generally accepted business practice.
19. In our opinion and according the information and explanations given to us the company is not covered within the definition of a sick industrial Company as contained in Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. The other clauses of the order are not applicable to the company and therefore are not reported individually.

Place : Ahmedabad

Date : 30-08-2002

For, Dinesh M. Mehta & CO.

Chartered Accountants

(Apurva C. Shah)

Partner