

Sterling Greenwoods Ltd.



15th annual report 2006-2007

• resorts • clubs • township

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**ANNUAL REPORT & ACCOUNT 2007****COMPANY INFORMATION**

BOARD OF DIRECTORS	:	B. Kumar	Chairman
		Anurag Agrawal	Managing Director
		Kusum B. Kumar	Whole Time Director
		Meeta Mathur	Whole Time Director
		Kunal Mathur	Director
		Umangbhai M. Vyas	Director
		B. K. Baheti	Director
		Ankit Mathur	Director
		Jitendra Vyas	Nominee Director
		P.V.R.N. Iyer	Director

AUDITORS	:	H. M. Parikh
		Sahyog Building, Laldarvaja, Ahmedabad

BANKERS	:	The Ahmedabad Peoples Co-op. Bank Ltd.
		Central Bank of India
		Bank of Baroda
		ICICI Banking Corporation Ltd.
		HDFC Bank Ltd.
		Ahmedabad District Co-Operative Bank Ltd.
		Rajkot Nagrik Co-Operative Bank Ltd.

REGISTERED OFFICE	:	Sterling Greenwoods Limited
		Sunrise Centre, Opp. Drive-in Cinema,
		Ahmedabad-380 054.

REGISTRAR & SHARE TRANSFER AGENTS	:	Pinnacle Shares Registry Pvt Ltd.
		Near Ashoka Mill, Naroda Road,
		Ahmedabad - 380 025.

FROM THE CHAIRMAN

Dear Shareholders,

We take pleasure in presenting herewith the Annual Report of the Company for the financial year 2006-2007.

During the year the company was able to register a healthy growth and good all round performance as indicated by the sector wise review given below.

Real Estate:

To take advantage of the healthy market demand and up trend in the Real Estate field in Ahmedabad, the Company has aggressively taken up the development works on its various Real Estate projects and resorted to aggressive marketing. The company was able to achieve 17.79% growth in Real Estate turn over.

Greenwood City:

Substantial progress has been achieved on the development of the roads, plantation, water-supply, street-lights, etc., for Phase III & IV. It is expected that the development works will be completed by the end of 2007-2008.

Sarovar City Project (Sanand Nalsarovar Road):

The company has acquired more than 5,00,000 Sq.yards of land, apart from good progress on construction of roads, plantation, water supply, survey, plotting, landscaping, street-lights, etc. The work on the construction of Club House is also in an advanced stage.

Thol Lake Project :

In this project also a total land of about 2,50,000 Sq. Yards has been acquired and construction of roads, plantation, water supply, street-lights etc. is in an advanced stage.

There was a good demand for these plots and healthy Sales turn over has been achieved.

Sterling Greenwoods Club & Lake Resort:

Good progress was achieved on the work of renovation and up gradation of the Greenwood Club & Lake Resort property.

During the year the Resort achieved a higher turn over of 17.19% over 05-06.

The first phase of the development work for the club is expected to be completed by September, 2007 and thereafter the membership drive for the club shall commence.

Financial Performance:

The company has achieved higher turn over in both Real Estate sales and Resort income. The combined increase being 17.54%.

Dividend :

The Board of Directors are pleased to declare a dividend of 8% for the year 2006-2007.

Future Projections.

Despite a slight down turn in demand / prices in the Real Estate sector the company is confident of improving its performance further during the year 2007-2008.

The market for Hotels and Resorts is very healthy resulting in over all increase in occupancy rates. More over with the completion of the first phase of the Club development and Resort renovation we are expecting a healthy increase in the turn over for the Resort and a good in flow from club membership during 2007-2008.

I thank my colleagues on the board and also express my gratitude to the Company's Managing Director, the full time Directors, officers and staff for their un-stinted support and hard work.

Place : Ahmedabad

Yours sincerely,

Date: 24/06/2007

B.Kumar

NOTICE

Notice is hereby given that the **Fifteenth Annual General Meeting** of the members of Sterling Greenwoods Limited will be held on 29th September 2007, 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 2007 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 Shri Kunal Mathur, who retires by rotation and being eligible, offers himself for reappointment that has been appointed by the board.
(b) To appoint Director Shri Umang Vyas, 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
4. To confirm Shri P.V. Iyer as a Director, who was appointed as an additional director of the Company by the Board of Directors w.e.f 31/01/2007 in terms of section 260 of the Companies Act 1956, that he shall hold the office up to the date of Annual General Meeting. The company has received valid notice from the members of the company under section 257 of the Companies Act, 1956, proposing the candidature of Shri P.V. Iyer for the office of the Director. In view of the background and valuable knowledge of P.V. Iyer, it will be in the interest of the company that Shri P.V. Iyer, continues as a Director of the Company. The Directors recommends the resolution for approval of the shareholders.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. As per provisions of the Companies Act, 1956, shareholders are now entitled to make nomination in respect of shares held by them. Shareholders desirous of making nomination are requested to send their request in Form No. 2B in duplicate to the company.
3. The Equity Shares of the Company are listed at the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001. The annual listing fees for the financial year 2006-2007 have been paid to the Stock Exchange.
4. Members of Physical shares are requested to notify to the registrar any change in their address.

Place : Ahmedabad**By Order of the Board of Directors****Date : 24/06/2007****B. KUMAR**

DIRECTOR'S REPORT

To,

The Members of the STERLING GREENWOODS LTD.

Your Directors have pleasure in presenting the Fifteenth Annual Report of your company together with the Audited Statement of Accounts for the year ended, 31st March 2007.

Financial Results Particulars	2006-2007 Rs. in Lacs	2005-2006 Rs. in Lacs
Income from Sales & Operations	557.35	479.76
Other Income	8.33	1.49
Total Income	565.68	481.25
Expenditure during the year	498.11	462.22
Net Surplus from operation	67.57	19.03
Depreciation	21.77	18.49
Profit/Loss before Taxation	45.80	0.53
Gain on Trs of Assets to Stock	0.00	69.18
Provision for Taxation	15.90	5.30
Profit after Taxation	29.90	64.41
Add : Balance b/f from previous year	267.59	201.47
Profit available for appropriation	297.49	265.88
Add/Less : Deffered Tax Assets / Liabilities	Nil	1.71
Proposed Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
Balance Profit carried forward to Balance Sheet	297.49	267.59

PERFORMANCE REVIEW:

During the year, the Real Estate business of the company has shown an upward trend in comparison to the performance during the previous year. Even the resort business has shown a bumper sale as compared to the last year.

The Net Profit of the Company is Rs. 4578940/- before Taxation in comparison to previous year profit of Rs. 53542/-.

DIVIDEND:

To strike a balance between the need to sustain investments for prospective growth and the annual profit expectations of shareholders, your Directors, after a long period are pleased to recommend a dividend of 8%.

PUBLIC DEPOSITS:

During the year, the company receives no public deposits and as on 31.03.2007, 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:

Shri Kunal Mathur, Director, retires by rotation and is eligible offer himself for reappointment.
Shri Umang Vyas, Director, retires by rotation and is eligible offer himself for reappointment.

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**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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company 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, 2007 on a "Going Concern" basis.

AUDITORS:

M/s. H. M. Parikh, Chartered Accountant, 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 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. 24, 00,000/- per annum or who were employed for a part of the year and were in receipt of remuneration exceeding Rs. 2, 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 : 24/06/2007

For and on Behalf of the Board

(Anurag Agrawal)
Director

CORPORATE GOVERNANCE

The Board of Directors of the Company continued to lay great emphasis on the board principles of Corporate Governance. Our pursuit toward achieving good governance is an ongoing process. In so far as compliance with the requirements under Clause 49 of the Stock Exchange Listing Agreement is concerned, the Company is in full compliance with the norms and disclosures that have to be made in corporate governance format.

1. COMPANY'S PHILOSOPHY:

At STERLING GREENWOODS LIMITED the concept of Corporate Governance hinges on total transparency, integrity and accountability of the management team. Your Company is committed to follow good corporate governance practices and improves upon them year after year. Our governance practices stems from an inherent desire to improve and innovate and reflect the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process.

2. BOARD OF DIRECTORS:

Composition and category of Directors

Sr. No.	Category	Name of Director
(i)	Promoter and Executive Director	Mr. B. Kumar Mrs. Kusum B. Kumar Mr. Ankit Mathur
(ii)	Promoter and Non-Executive Director	Nil
(iii)	Independent Director	Mr. Anurag Agrawal (Executive Director) Mr. Umang Vyas (Executive Director) Mr. B.K.Baheti (Non Executive Director) Mr. P.V.Iyer (Non Executive Director)
(iv)	Nominee Director	Mr. Jitendra Vyas

Attendance of Directors at the Meeting of Board of Directors (BoD) held during financial year 2006-2007 and the Annual General Meeting (AGM) held on 25th August, 2006 are as follows:

Ten board Meetings were held during the year. They were held on 31st May, 2006, 5th June 2006, 31st July 2006, 19th August 2006, 9th September 2006, 31st October 2006, 25th November 2006, 30th November 2006, 31st January 2007, 10th February 2007.

The record of attendance of Directors and Directorship of Public Limited Companies and Membership Chairmanship of Board Committees:

Name of Director	No.Of Meeting Attendants	Attended at AGM	No of BoDs Public Ltd. Companies	No.Of Membership Of Boards	No.Of Chairmanship Of Boards
Mr. B. Kumar	10	Present	Nil	4	4
Mr.Anurag Agrawal	10	Present	Nil	2	Nil
Mrs. Kusum B. Kumar	8	Present	Nil	4	Nil
Mrs. Meeta Mathur	4	Absent	Nil	1	Nil
Mr.Kunal Mathur	4	Absent	Nil	Nil	Nil
Mr.Umang Vyas	6	Present	Nil	Nil	Nil
Mr. B.K. Baheti	8	Present	Nil	Nil	Nil
Mr. Ankit Mathur	6	N.A.	Nil	Nil	Nil
Mr. Jitendra Vyas	Nil	N.A.	Nil	Nil	Nil
Mr. P.V. Iyer	Nil	N.A.	Nil	1	Nil

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**AUDIT COMMITTEE:**

The audit Committee Constitution on 1st April, 2003 consists of Two Executive and three independent Non-executive Directors. The members of the Committee are well-versed in finance matters, accounts, Company law and general business practices.

The Composition of the Audit Committee is as under.

- A) Mr. B. Kumar
- B) Mr. B.K. Baheti
- C) Mr. Umang Vyas

Composition, Names of Members and record of attendance during the year:

Name of Director	No.Of Meeting Held	No.Of. Meeting attended
Mr. B. Kumar	4	4
Mr. B.K. Baheti	4	4
Mr. Umang Vyas	2	4

The term of reference of the audit Committee includes:

- (a) To review financial statements and pre-publication announcements before submission to Board.
- (b) To ensure compliance of internal control system and action taken on internal audit reports.
- (c) To appraise the Board on the impact of accounting policies accounting standards and legislation.
- (d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- (e) To review the Company's financial risk management policies.

REMUNERATION COMMITTEE:

The Remuneration Constitution in 1st April, 2003 consists of three independent Directors.

The Composition of the Audit Committee is as under.

- A) Mr. B. K. Baheti
- B) Mr. Anurag Agrawal
- C) Mr. Umang Vyas

Composition, Names of Members and record of attendance during the year:

Name of Director	No.Of Meeting Held	No.Of. Meeting attended
Mr. B. K. Baheti	1	1
Mr. Anurag Agrawal	1	1
Mr. Umang Vyas	1	1

The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme.

Total remuneration paid to Directors of the Company during the year ended March 31, 2007 is Rs.38.00 Lacs.

Details of remuneration paid to Executive Directors and Non Executive Directors for Financial year 2006-07

Name of Director	Designation	Salary	Commission	Company's Contribution to PF and Super-annuation Fund	Total
Mr. B. Kumar	Chairman	1440000/-	Nil	Nil	1440000/-
Mr. Anurag Agrawal	Mg. Director	960000/-	Nil	Nil	960000/-
Mrs Kusum B. Kumar	W. T. Director	360000/-	Nil	Nil	360000/-
Mrs. Meeta Mathur	Director	360000/-	Nil	Nil	360000/-
Mr. Aakrit Mathur	Director	500000/-	Nil	Nil	500000/-
Mr. Umang Vyas	Director	180000/-	Nil	Nil	180000/-

Details of Commission and Sitting Fees paid to Non-Executive Directors for the Financial year 2006-07 : NIL

SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE:

The shareholders and Investors Grievance committee Constitution on 1st April, 2003 consists of one independent Non-executive Director and one independent and Executive Director. The Committee meets every month to consider, Shares transfer investor complaints etc.

The Composition of the shareholder and Investors grievance Committee is as under.

A) Mr. Umang Vyas

B) Mr. B.K. Baheti

Details of Complaints received etc. During the year 2006-07:

Nature of Compliments / queries	No of Complaints / queries received	No.Of Complaints not solved to the satisfaction of Shareholders
Transfer of Shares	Nil	Nil
Non-receipts of annual report	2	2
Non-receipts of dividend warrants	Nil	Nil
Pending Share transfer	Nil	Nil

ANNUAL GENERAL MEETINGS:

Details of last three Annual General Meeting held

Particulars	F.Y 2003-04	F.Y.2004-05	F.Y. 2005-06
Day	Wednesday	Wednesday	Friday
Date	30 th June.2004	31 st August,2005	25 th August 2006
Time	11.00 A.M	11.00 A.M	11.00 A.M.
Venue	Green Wood Lake	Green Wood Lake	Green Wood Lake
	Holiday Resort,	Holiday Resort,	Holiday Resort,
	Chharodi, Ahmedabad.	Chharodi, Ahmedabad.	Chharodi, Ahmedabad.

DISCLOSURES:

(1) Disclosure on materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors of the Management their subsidiaries or relative etc., that may have potential conflict with the interest of the Company at large.

None of the transaction with any of the related parties was in conflict with the interest of the Company.

(2) Details of non-compliance by the company, penalties, and stricture imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

No penalties of strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory or any matter related to capital market during the period under review.

(3) Disclosures of the compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements.

The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements.

MEANS OF COMMUNICATION:

The quarterly and half-yearly financial results of the Company are sent to the Stock Exchanges immediately after the Board approves them. These are also published in the prescribed Performa within 48 hrs. of the conclusion of the meeting of the Board in which they are considered, generally in "Western Times".