

Sterling Greenwoods Ltd.



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17th annual report 2008-2009

resorts ● clubs ● township



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CORPORATE 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
		Ankit Mathur	Director
		Jitendra Vyas	Nominee Director
		P. V. R. N. Iyer	Director

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

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

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FROM THE CHAIRMAN

Dear Share holders,

We take pleasure in presenting Co's 17th annual report.(for Financial year 2008-09.)

Business outlook & sentiments. as you are aware, there was sudden global recession and financial melt down in practically all business sectors. Both real estate and hospitality were one of the worst affected. We also experienced lower sales In real estate from November,2008. Our resort also experienced lower Occupancies, club memberships also dipped sharply.

REAL ESTATE

Despite the above gloomy picture, the company has been able to achieve higher sales. However, to attract business, Lower E.M.I 's were offered which resulted in lower cash inflows.

THE CLUB & RESORT

The turnover was lower than previous year by 7 %. During the year most development, renovation jobs were completed. The 'golden swan' club building And the spa was made operational.

OVER ALL FINANCIAL PERFORMANCE

The company was able to achieve an overall higher turnover of 20%

DIVIDEND

The board is unable to declare dividend, on account of poor liquidity.

THE FUTURE

The current market scenario since April 2009, seems to be improving. There are more Real Estate enquiries .The stock market is again buoyant. We can look forward to an improved performance in the coming year.

I thank my colleagues on the Board of the company and express my gratitude to all officers and staff for their support and hard work.

Yours sincerely,

B. Kumar

Place : Ahmedabad

Date : 29/05/2009

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NOTICE

Notice is hereby given that the **Seventeenth Annual General Meeting** of the members of Sterling Greenwood's Limited will be held on 18th August, 2009 at 11.30 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 2009 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 Ankit Mathur, who retires by rotation and being eligible, offers himself for reappointment that has been appointed by the board.
(b) To appoint Director Shri P.V.R.N. Iyer, who retires by rotation and being eligible offers himself for reappointment who has been appointed by the board.
3. To appoint auditors and to fix their remuneration and in this regards to consider and, if though fit to pass with or without modification(s) the following resolution as an ordinary resolution
"RESOLVED THAT M/s. Baheti Bhadada & Associates, Chartered Accountant be and here by appointed as the auditor of the company to hold office from the conclusion of this Annual General Meeting untill the next Annual General Meeting of the Company, on such remuneration as may be fixed by board of directors."

NOTES :

1. A member entitled to attend, 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 2008-2009 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

Date : 29/05/2009

By Order of the Board of Directors

B. Kumar

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DIRECTOR'S REPORT

To,

To The Members of the STERLING GREENWOODS LTD.

Your Directors have pleasure in presenting the Seventeenth Annual Report of your company together with the Audited Statement of Accounts for the year ended, 31st March 2009.

Financial Results

Particulars	Rs. in Lacs	
	2008-2009	2007-2008
Income from Sales & Operations	947.60	785.46
Other Income	3.45	5.47
Total Income	951.05	790.93
Expenditure during the year before depreciation	884.00	707.76
Net Surplus from operation before Depreciation	67.05	83.16
Depreciation	38.28	32.14
Profit/Loss before Taxation	28.77	51.02
Provision for Taxation & FBT	2.87	17.15
Excess / Short Provision for Tax	6.86	0.00
Profit after Taxation	32.76	33.87
Add : Balance b/f from previous year	284.87	290.68
Dividend for Previous Year	0.00	33.92
Tax on Dividend	0.00	5.76
Balance Profit carried forward to Balance Sheet	317.63	284.87

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 good growth as compared to the last year.

The Net Profit of the Company is Rs. 2877824/- before Taxation in comparison to previous year profit of Rs. 51,02,076/-

DIVIDEND :

To strike a balance between the need to sustain investments for prospective growth, your Directors are not recommending dividend for the year.

PUBLIC DEPOSITS :

During the year, the company receives no public deposits as on 31.03.2009, the company held no public deposits on its books. Therefore, there are no unclaimed deposits and deposits that matured for payment during the year and were not repaid.

DIRECTORS :

Shri Ankit Mathur, Director, retires by rotation and is eligible offer himself for reappointment.

Shri P.V.R.N. Iyer, 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 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, 2009 on a "Going Concern" basis.

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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 for their unwillingness to continue as a Auditor of the Company hence the Board of Directors are decided to appoint M/s. Baheti Bhadada & Associates, Chartered Accountant as a statutory auditor of the company till the conclusion of the next Annual General Meeting."

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, Rajkot Nagrik Co-operative Bank, Axis Bank Ltd. & Company's other Bankers for their continued assistance guidance and support.

The Board of Directors also grateful to the Employees, Shareholders, Customers and the 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 : 29/05/2009

For and on Behalf of the Board

(Anurag Agarwal)
Managing Director

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CORPORATE GOVERNANCE

Sterling Greenwood's Limited has established a tradition of the highest standards of corporate governance principals and best practices. The Company is committed to introducing corporate governance practices in tandem with domestics and international developments to position it to conform to the best governance practices.

Our Governance philosophy

The company's philosophy on corporate governance envisages the attainment of the highest levels of transference, accountability and equity in all facets of its operation and in all its interactions with its stakeholders including shareholders, employees, the government, lenders and the society. The company believes that all its operations and actions must the underlying goal of enhancing overall shareholder value, over a sustained period of time. In our commitment to practice sound governance principles, we are guided by the following core principles:

- ❖ **Transparency**
To maintain the highest standards of transparency in all aspects of our interactions and dealings
- ❖ **Disclosures**
To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- ❖ **Accountability**
To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.
- ❖ **Compliances**
To comply with all the laws and regulations as applicable to the company
- ❖ **Ethical conduct**
To conduct the affairs of the company in an ethical manner
- ❖ **Stakeholders' interests**
To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

Governance practices beyond regulatory requirements

Our governance practices go beyond the statutory and regulatory requirements. Our endeavor is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. With this objective, we have formulated, inter alias, the following policy documents and introduced best practices of governance:

1. **Values and commitments**
We have set out and adopted policy documents on 'values and commitments' of the Company. We believe that any business conduct can be ethical only when it rests on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.
2. **Code of Ethics**
Our policy document on 'code of ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage.
3. **Business policies**
Our 'business policies' contains the policy on fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety & environment and quality.
4. **Separation of the Board's supervisory role from the executive management**
In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management and splitting the posts of chairman and MD.
5. **Prohibition of insider trading policy**
This document contains the policy on prohibiting trading in the equity shares of the Company, based on inside or privileged information.
6. **Prevention of sexual harassment**
Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

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7. Whistle blower policy

Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

8. Risk management

Our risk management procedures ensure that the management controls risks through means of a properly defined framework.

I. BOARDROOM PRACTICES

i. Board charter

The board of directors has adopted a comprehensive board charter. The charter has set out matters relating to board composition, scope and functions of the board and its committees, etc.

ii. Tenure of independent directors

Tenure of independent directors on the board of the Company shall not extend beyond stipulated years, subject to their re-appointment on retirement by rotation as per statutory provisions.

iii. Director's interaction with shareholders

Shri B. Kumar and Shri Anurag Agarwal, interact with shareholders on their suggestions and queries which are forwarded to the company secretary.

iv. Meeting of independent directors with operating team

The independent directors of the company meet in executive sessions with the operating teams in each of the respective areas, on a regular basis, as they deem necessary. These executive session discussions may include topics such as, operating policies and procedures; risk management strategies; measures to improve efficiencies; performance and compensation; strategic issues for board consideration; flow of information to directors; management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

v. Commitment of directors

The board meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance of all directors at the meetings of the board and its committees. Such advance planning of meetings enable the directors to plan their commitments, particularly in the context that the meetings of the board normally extend over the entire working day.

J. Governance practices being followed to promote the interests of our stakeholders

We have in the recent past introduced several trend setting governance practices to improve stakeholder satisfaction.

Compliance with clause 49 of the listing agreement

Sterling Greenwood's Limited is fully compliant with the mandatory requirements of clause 49 of the listing agreement formulated by Securities and Exchange Board of India (SEBI).

We present our report on compliance of governance conditions specified in clause 49.

I. BOARD OF DIRECTORS

1. Board composition - Board strength and representation

As at March 31, 2009, the board consisted of ten members. The composition of and the category of directors on the board of the company were as under:

Category	Particulars of Director
Promoter & Executive Director	<ul style="list-style-type: none"> - Mr. B. Kumar (Chairman) - Mrs. Kusum B. Kumar (W.T.D.) - Mrs. Meeta Mathur (W.T. D.) - Mr. Ankit Mathur (Director) - Mr. Anurag Agarwal (Mg. Director) - Mr. Umang Vyas (Executive Director)

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Promoter & Non Executive Director	- Nil
Independent & Non- Executive Director	- Mr. Kunal Mathur (Non-Executive Director) - Mr. B. K. Baheti (Non-Executive Director) - Mr. P. V. Iyer (Non-Executive Director)
Nominee Director	- Mr. Jitendra C. Vyas

2. Conduct of board proceedings

The day-to-day business is conducted by the officers and the managers of the Company under the direction of the board led by the Chairman. The board holds five to six meetings every year to review and discuss the performance of the company, its plans, strategies and other pertinent issues relating to the company.

The board performs the following specific functions in addition to the oversight of the business and the management:

- ❖ Review, monitor and approve major financial and business strategies and corporate actions.
- ❖ Assess critical risks facing the company their mitigation.
- ❖ Provide counsel on the selection, evaluation, development and compensation of senior management.
- ❖ ensure that processes are in place for maintaining the integrity of
 - the company
 - the financial statements
 - compliance with law
 - relationships with all the stakeholders
 - Delegation of appropriate authority to the senior executives of the company or effective management of operations.

3. Board meetings

Six Board Meetings were held during the year. They were held on 30th June 2008, 31st July 2008, 10th September 2008, 24th October 2008, 31st January 2009, 25th March 2009.

4. Attendance of directors at the Board Meetings held during 2008-09 and the last Annual General Meeting (AGM)

Directors	Meetings In year	Meetings	AGM Attended
Shri B. Kumar	6	6	Yes
Shri Anurag Agarwal	6	6	Yes
Smt. Kusum B. Kumar	6	6	Yes
Smt. Meeta Mathur	6	2	No
Shri Umang Vyas	6	3	Yes
Shri Kunal Mathur	6	2	No
Shri B. K. Baheti	6	6	Yes
Shri Ankit Mathur	6	5	Yes
Shri Jitendra C. Vyas	6	4	Yes
Shri P.V. Iyer	6	4	No

Notes:

- None of Directors has business relationship with the Company.
- None of the director receive any loans and advances from the Company