

STERLING GREENWOODS LIMITED

18TH ANNUAL REPORT

2009-2010

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BOARD OF DIRECTORS :

- B. Kumar	Chairman
- Anurag Agarwal	Managing Director (Resign w.e.f. 31 st March, 2010)
- Kusum B. Kumar	Whole Time Director
- Meeta Mathur	Whole Time Director
- Kunal Mathur	Director
- Umang M. Vyas	Director
- Ankit Mathur	Director
- Jitendra Vyas	Nominee Director
- P.V.R.N Iyer	Director

AUDITORS : M/S. BAHETI BHADADA & ASSOCIATES

Chartered Accountants
201, Shaily Complex,
Nr.Old Guj. High Court,
Ashram Road,
Ahmedabad-380009

**BANKERS : Axis Bank Ltd.
The Ahmedabad Dist. Co.-op. Bank
Central Bank of India
Bank of India
Bank of Baroda
ICICI Banking Corporation Ltd.
Indusind Bank
HDFC Bank Ltd.
Rajkot Nagrik Sahakari Bank Ltd.
State Bank of India**

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

**REGISTRAR & SHARE
TRANSFER AGENTS : Sharepro India Private Limited
Sharepro Services (India) Pvt. Ltd.
13 AB Samitha Warehousing Complex,
Sakinaka Telephone Lane,
Sakinaka Andheri East,
Mumbai – 400 072**

Notice

Notice is hereby given that the **18TH ANNUAL GENERAL MEETING** of the members of **STERLING GREENWOODS LIMITED** will be held on 27TH Day of September 2010 on Monday at the company's Greenwood Lake Holiday Resort, Chharodi Farm Complex, off Sarkhej-Gandhinagar Highway, Opp. Village Chharodi, Ahmedabad at 11.30 A.M to transact the following business:

- **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet for the year ended **31st March, 2010** and the Profit and Loss Account as at that date and the reports of the Director's and the Auditors thereon.
2. To appoint a director **Smt. Kusum B. Kumar** who retires by rotation and being eligible, offers himself for re-appointment that has been appointed by the Board.
3. To appoint a director **Shree Kunal Mathur** who retires by rotation and being eligible, offers himself for re-appointment that has been appointed by the Board.
4. To appoint statutory 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 thought fit to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said act the concern to the company be and is here by accorded to the appointment of Shree Ankit K. Mathur as the Managing Director of the Company for a period of five years with effect from 1st October, 2010 to 30th September, 2015 on the remuneration and other terms and Condition as set out in the draft agreement submitted to this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and /or remuneration so not exceed the limit specified in Schedule XIII of the Companies Act, 1956."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take such step as may be necessary proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD

Place: Ahmedabad
Date : 31/05/2010

(B.Kumar)
Chairman

NOTES:

1. A Member entitled to attend and to vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself/herself and such proxy need not be a member of the company. The instrument appointing a 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. The members are requested to:
 - i. Intimate change, if any, in their registered address at an early date.
 - ii. Bring their copies of Annual Report and Attendance Slip with them at the Annual General Meeting.
3. As per the 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.
4. The Equity Shares of the Company are listed at The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The Company has paid annual Listing Fees to the Stock Exchange.
5. The members are advised to submit their share certificate to, Register and Share transfer agent of the company for purpose of transfer.
6. Information under clause 49VI A of the Listing Agreements regarding re-appointment of Smt. Kusum B. Kumar & Shree Kunal Mathur.

⇒ **Smt. Kusum B. Kumar**

She is the Whole Time Director in the Company. A well experienced woman having wide knowledge of housekeeping and hospitality. She is also Director of the other group companies:- Sterling Resort Private Limited, Greenwood Recreation Private Limited & Greenwoods Organisers and Engineers Private Limited.

⇒ **Shree Kunal Mathur**

He is the Director of the Company and practicing as architecture in Delhi from 1982, working as a partner in Architect Yetinder Mathur (firm name) since 1982. Have offices in New Delhi and Head Office in Chandigarh. Notable projects in Ahmedabad: Sterling Hospital and Sabarmati Inland Dry Port for Container Corporation of India. Passed from School of Architecture, CEPT, India's premier school for Architecture and is a member of Council of Architecture.

DIRECTORS' REPORT

To
The Members

Your Directors have great pleasure in presenting the **18th ANNUAL REPORT** and the **Audited Statement of Accounts** of the Company for the year ended on **31st March, 2010**

★ **FINANCIAL RESULTS:-**

(Figures in lacs)

Particulars	Amount for 2009-10 (Rs.)	Amount for 2008-09 (Rs.)
Total Revenue Receipts	764.98	951.05
Total Expenditure	652.73	(884.00)
Profit Before Depreciation, Non Cash Expenses & Tax	112.25	67.05
Less: Depreciation & Other Non Cash Expenses	(38.07)	(38.28)
Profit Before Tax	74.18	28.77
Less: Provision for Taxes	(19.52)	(2.87)
Excess/Short Provision for Tax	----	6.86
Add: Deferred Tax Asset	----	---
Profit After Tax	54.66	32.76
Add: Balance Brought Forward from Previous Year	317.63	284.87
Add: Reserve & Surplus of Transferee Company	N.A	N.A
Balance Carried to Balance Sheet	<u>372.29</u>	<u>317.63</u>

★ **PERFORMANCE REVIEW :-**

The turn over of the company has reduced from **Rs.947.6 lacs** to **Rs.758.58 lacs** showing a reduction of 20% in revenue of company (revenue from resort business has increased from **Rs.245.37 lacs to Rs.316.04 lacs** and there is a reduction in revenue of real estate business) compared to last year. The turnover of company has shown reduction in real estate business due to board's policy to go consciously and that has resulted in higher profits even though there is a reduction in turnover. The net profit of the company has shown an upward trend from **Rs.28.77** lakhs of last year to **Rs. 74.18 lacs** this year. Your directors expect to perform better in the coming years.

★ **DIVIDEND:-**

To strike a balance between the need to sustain investments for prospective growth your Directors are not recommending dividend for the year. Even though, Net profit of the company has increased this year, your directors consider need to plough back current year earnings to meet the Company's future plans. Therefore, your directors do not recommend any dividend in the current year.

Directors' Report

★ **DEPOSITS:-**

The company has not accepted any deposit from public within the meaning of Section 58-A of the Companies Act, 1956 and Rules made there under.

★ **PARTICULARS OF EMPLOYEES :-**

There were no employees whose remuneration were in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

★ **DIRECTORS:-**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association the Company, Smt. Kusum B. Kumar and Shree Kunal Mathur directors of the Company, who retire by rotation and being eligible, offer themselves for re-appointment.

★ **AUDITORS:-**

M/s. Baheti Bhadada & Associates, auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The company has received a letter from them to the effect that their appointment as auditors, if made, would be within the limits under section 224(1B) of the Companies Act, 1956.

★ **CONSERVATION OF ENERGY :-**

The company has no activity relating to conservation of energy.

★ **TECHNOLOGY ABSORPTION:-**

The company is not engaged in such business so as to undertake any Technology Absorption. However to save the power it has installed Solar Water Heating Systems at its Resort.

★ **FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

- Foreign Exchange earnings - Rs. NIL
- Foreign Exchange outgo - Rs. NIL

★ **AUDITOR'S OBSERVATIONS :-**

The observations contained in the Auditor's Report are self-explanatory and, therefore, no comments are called for separately.

★ **CORPORATE GOVERNANCE:-**

As per clause 49 of the Listing Agreement, a separate Report on Corporate Governance together with Management Discussion and Analysis and certificate from Company's Auditors is annexed and forms part of this report.

Directors' Report

★ **DIRECTORS' RESPONSIBILITY STATEMENT :-**

Pursuant to section 217(2AA) of the Companies Amendment Act, 2000 it is hereby Confirm that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed.
- b. Appropriate Accounting Policies have been selected and applied consistently, and have 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 as at 31st March, 2010 and of the Profit of the company for the year ended on that date.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The accounts for the financial year ended 31st March, 2010 have been prepared on a going concern basis.

★ **INSURANCE :-**

The current assets and fixed assets of the company are adequately insured against all types of risks.

★ **ACKNOWLEDGEMENT:-**

Your directors acknowledge with gratitude, the patronage of its esteemed customers, the strength it derives from its employees at all levels, the support from its Bankers and the loyalty of the large family of the company's customers, suppliers and shareholders.

BY ORDER OF THE BOARD

**Place: Ahmedabad
Date: 31/5/2010**

**(B.Kumar)
Chairman**

Corporate Governance

Sterling Greenwoods 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 confirm 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. 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.

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 frame work.

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 Ankit Mathur, 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 Greenwoods 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.