



**STERLING**

GUARANTY & FINANCE LIMITED

## DIRECTORS' REPORT

The directors have pleasure in presenting before the Shareholders, Directors' Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2016.

(Rs. In Lacs)

Particulars	For the year ended	For the year ended
	ended 31.3.2016 Rs.	31.3.2015 Rs.
Profit (Loss) before Non-Cash Charges	(6.45)	(4.44)
Profit (Loss) before Tax	(6.45)	(4.44)
Provision for Taxation	Nil	Nil
<b>Net Profit (Loss) after Tax</b>	<b>(6.45)</b>	<b>(4.44)</b>
Balance brought forward	(828.63)	(524.19)
Profit (Loss) carried forward	<b>(835.08)</b>	<b>(828.63)</b>

### DIVIDEND

Since your Company has incurred loss this year. Your Directors regret their inability to recommend any dividend for the year ended 31<sup>st</sup> March 2016.

### RESERVES

In view of loss incurred and carry forward losses, the Company do not propose to transfer any amount to its Reserves.

### GENERAL:

The Company is dormant and inactive company since 2009-10 and is defunct. During the year under report, the Company had no business activity. It has suffered Net Loss of Rs.6.45 lacs compared to previous year of Rs.4.44 lacs because of nil operating income and minimum statutory & compliance expenses. One of the Promoter Company has advanced during the year interest – free funds of Rs. 6.40 lacs(Preceding Year – 4.45 lacs) to meet the statutory liabilities. The Company is advised by letter dated February 17, 2016 of Reserve Bank of India to surrender CoR (Certificate of Registration) & do not to do any NBFBI business. The company has ceased to do NBFBI business since 2006-07.

### OPERATIONS & FUTURE PLAN

There is no business activity of the Company during the year under review. During the year no NBFBI Business was carried out since Net Owned Funds (NOF) of the company has fallen below the minimum prescribed limit. Directors have not been able to revive the company. The company is grateful to Indistock Securities Ltd. for allowing the company to use its registered office free of cost. However they have directed to vacate the office. Registered office will change. Hence company's BOD taken decision to change its Registered office to G-9, The Duru Mahal CHS Ltd., F-Road, Marine Drive, Mumbai – 400021. Equity Shares of the Company is listed on BSE , however in future the company will not be able to bear increasing cost of compliance & listing fees unless it becomes active.





### **CHANGE IN NATURE OF BUSINESS, IF ANY**

The Company has no business.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER BALANCE SHEET DATE**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **CAPITAL STRUCTURE**

There has been no material changes in the capital structure of the Company during the Financial Year ended 31st March 2016. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options. But the company will be considering reduction in share capital and then issue Rights. Current Net Worth of the company is negative to Rs. 63,78,874/- (i.e. Rs. 0.975%). Therefore it is proposed to do the reduction of capital by way of reducing the face value of Rs. 10/- per share to make Face Value of Rs. 1/- per share, this will reduce of loss by Rs. 5,88,38,400/-, leaving Balance Loss at Rs. 1,29,16,474/-

After the reduction of capital the company will explore the possibilities of recapitalize the company by issue of Right Shares etc.

### **PUBLIC DEPOSITS**

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **CORPORATE GOVERNANCE**

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

### **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors is duly constituted in compliance with the provisions of Section 149 of the Companies Act, 2013 and relevant rules made there under.

In accordance with the provisions the Companies Act 2013 and rules made there under and the Company's Articles of Association, Mr. Dhiren Mehta, Executive Chairman resigns at the Board of Directors Meeting on dated 16/05/2016.

The BOD has appointed Mr. Dharmen D. Mehta as Chairman & Managing Director for the Company for three years. His age is 39 Years, and he is qualified graduate from U.S.A.

The detailed information and particulars of director seeking appointment, re appointment is incorporated in Notice calling Annual General Meeting.



**INDEPENDENT DIRECTOR**

Currently, Mr. Sunil Kumar Jangir (DIN : 06653333), Mrs. Geeta V. Ashar (DIN : 0036710) are independent Directors on the Board of the Company and Mrs. Geeta V. Ashar (DIN : 036710) is Independent Women Director of the Company. They have indicated to resign from end of the forthcoming AGM. New Independent Director as will be appointed in forthcoming AGM.

**KEY MANAGERIAL PERSONNEL**

During the year under review, the Company continues to have Mr. Dhiren D. Mehta , Executive Chairman as Key Managerial Personnel. No remuneration, fees including salary was paid to Executive as well as Non-Executive Directors during the year. W.e.f. 16/05/2016 Mr. Dharmen Mehta will be the Key Managerial Personnel, holding position of CMD, Compliance Officer, & Principal Officer.

**NO DISQUALIFICATION OF MANAGING DIRECTOR/WHOLE-TIME DIRECTOR**

In compliance with the provisions of Section 197(14) of the Companies Act, 2013, no Managing Director/Whole-time Director of the Company shall be disqualified from receiving commission or remuneration from the Company's Holding Company or Subsidiary Company if he is in receipt of nay commission from the Company During the year.

**NUMBER OF MEETING OF THE BOARD AND OTHER COMMITTEE**

During the year under review the Board of Directors of the Company met 7 (Seven) times on 29/05/2015, 30/07/2015,07/09/2015, 30/10/2015, 21/12/2015, 29/01/2016 & 31/03/2016. The details of composition of the Board of Directors and its attendance are as under :

Name of the Director(s)	No. of Board Meeting(s) attended
Mr. Dhiren D. Mehta	7
Mr. Sunil Kumar Jangir	7
Mrs. Geeta V. Ashar	7

The Company has duly complied with the provisions related to Notice, Minutes and Meetings as prescribed under the Companies Act, 2013 and Rules made there under, if any.

**COMMITTEES OF BOARD**

**AUDIT COMMITTEE**

In compliance with the provisions of Section 177 of the Companies Act, 2013 and relevant rules made thereunder, the Audit Committee constituted on 29<sup>th</sup> May 2015, 30<sup>th</sup> July 2015, 30<sup>th</sup> October, 2015 and 29<sup>th</sup> January 2016 by the board of director comprises independent director namely Mrs. Geeta V. Ashar and Mr. Sunil Kumar Jangir and Mr. Dhiren Mehta, executive Chairman. The Chairperson of the Committee is Mrs. Geeta Ashar. Mr. Sunil Jangir is a Secretary to the meeting of the Committee. All the recommendations made by the Audit Committee were accepted by the board. The details of the Audit Committee of the Board of Directors are as under :

Name	Chairman/Members	No. of Meetings attended
Mr. Dhiren D. Mehta	Executive Chairman	4



Mr. Sunil Kumar Jangir	Member	4
Mrs. Geeta V. Ashar	Member	4

In place of Mr. Dhiren D. Mehta the proposed CMD Mr. Dharmen D. Mehta will be the Chairman of Audit Committee.

**NOMINATION AND REMUNERATION COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and relevant rules made thereunder, the Executive Chairman was appointed without any remuneration. The non-executive directors do not draw any remuneration from the Company. Therefore the Board did not feel the need to constitute a Nomination and Remuneration Committee of Directors.

**RISK MANAGEMENT POLICY**

In terms of the requirement of provisions of Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time, Your Company recognizes the need to control and limit the risk, which it faces in day to day course of the business. The Company is exposed to certain financial risks-principally interest rate risk, liquidity risk, credit risk and risks associated with the economy, regulations, competition among others. These risk management policies that are designated to minimize the potential adverse effects of these risks on financial performance of the Company. The policy contains the procedures to inform the Board Members about the risk assessment and minimization process, These processes are periodically reviews to ensure that the management of the Company controls risk and runs through a well-defined framework.

**WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has formed a Whistle Blower Policy/Vigil Mechanism policy as required under Section 177 of Companies Act, 2013 and Clause 49 of the Listing Agreement. A Vigil (Whistle Blower) mechanism provides a channel to the employee and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee to exceptional cases.

**POLICY MATERIALITY & DELAING WITH RPTs, CONTRACT AND ARRANGEMENT WITH RELATED PARTY**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act 2013 are not attracted.

Further there were no Contracts /Arrangements/transactions of a materially significant nature with the Promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Details of Related Party Transaction forms part of Corporate Governance Report.



### **CODE OF CONDUCT**

The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs of the Company.

### **CODE OF INSIDER TRADING**

The Company has devised a framework to avoid Insider Trading and abusive self-dealing. The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information.

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. There is no sexual harassment complaints received during the year 2015-16.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 for the Financial Year ended March 31, 2016 is Annexed to this Report as an Annexure -I and forms part of this Report.

### **STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s. Vinod S. Mehta & Co. Chartered Accountants, (Firm Registration no.111524W) have been appointed as statutory auditors of the Company by the members at the previous Annual General Meeting (AGM) held on 14<sup>th</sup> September, 2015, has approved the appointment of M/s. Vinod S. Mehta & Co. Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by shareholders.

In this connection, the Company had received certificate pursuant to Section 139(1) of the Companies Act, 2013 stating that their appointment, if made at the ensuing Annual General Meeting will be within the limits prescribed under Companies Act, 2013.

### **INTERNAL AUDITOR**

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of 'The Companies (Accounts) Rules 2014' and based on the Audit Committee recommendations, the Board of Directors of the Company at its meeting February 6, 2015 has approved the appointment of Ms. Aditi Parth Ingreji, Chartered Accountant as the Internal Auditor of the Company for the financial year 2014-2015 and 2015-2016 to conduct the internal audit of the Company.

### **SECRETARIAL AUDITOR :**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors





## **STERLING**

GUARANTY & FINANCE LIMITED

of the Company at its meeting has approved the appointment of M/s. Samta Saraf, Company Secretaries in practice, Propertier Samta Saraf (ACS: 17620/CP: 6000), as the Secretarial Auditor of the Company for the financial year 2015-16 to conduct secretarial audit of the Company.

### **STATUTORY AUDITOR'S OBSERVATIONS & MANAGEMENT REPLY**

The Auditors' Report to the Members for the year, under review, does not contain any qualification(s) or observation(s). The Notes no Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **SECRETARIAL AUDITOR'S OBSERVATIONS & MANAGEMENT REPLY**

Secretarial Auditor's observations, Comments, in are self explanatory. They are on account of the company being Inactive dormant Company.

### **DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES**

The Company has no subsidiaries, Joint Ventures & Associates Companies.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors confirm that:

- i. In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards, have been followed along with proper explanations relating to material departures, if any;
- ii. Your Directors have selected such 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 as at March 31, 2016 and of the Loss of the Company for year ended on that date;
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. Your Directors have prepared the annual account on a going concern basis;
- v. Your Director had laid down internal financial controls to be followed by the company ant that such internal financial controls are adequate and were operating effectively;
- vi. Your Director had advised proper system to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.





**STERLING**

GUARANTY & FINANCE LIMITED

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report are set out as separate annexure to this report.

### **PERFORMANCE AND BOARD EVALUATION**

Pursuant to the provision of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and that of its Committees and individual Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

To determine the criteria of evaluation of the performance of the Independent Directors as required under the clause 49 of the Listing Agreement, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors. The Board of Directors expressed their satisfaction with the evaluation process.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independent judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and result thereof.

### **PARTICULARS OF EMPLOYEES**

During the year under review the Company had not paid remuneration to its directors, hence the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not provided in the report.

Further, there were no employees during the year within the meaning of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **STATEMENT IN RESPECT OF ADEQUACY AND INTERNAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS AND THEIR ADEQUACY**

There are adequate internal control procedures commensurate with the size of the Company and nature of its business. The management has put in place effective Internal Control Systems to provide reasonable assurance for safeguarding Assets from unauthorized access and Maintenance of Proper Accounting Records and Adequacy & reliability of the information used for carrying on Business Operations.

Further, the Company has taken adequate steps to ensure proper authorization of financial transactions and to prevent possibilities of frauds or other irregularities.



**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/REIBUNALS**

There are no significant and material order passed by the Regulators / Courts/Tribunals impacting the going concern status of the Company and its future operations.

**DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**(a) Conservation of Energy**

(i)	The steps taken or impact on conservation of energy	The Company has no activity relating to conservation of energy, details of which are required to be furnished in this report as per provision of Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. Making every possible effort to conserve the use of power. No Capital investment was required to be made during the year,
(ii)	The steps taken by the Company for utilizing alternate sources of energy	
(ii)	The capital investment on energy conservation equipments	

**(b) Technology Absorption**

(i)	The efforts made towards technology absorption	The company has no activity which requires technology absorption, details of which are required to be furnished in this report as per the provision of Section 134 (3)(m) of the companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules,2014. No import was made during the 3(Three) Financial Year ended March 31, 2016. Further to note that, no expenditure was incurred on Research and Development.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	In case of imported technology (imported during the last three reckoned from the beginning of the financial year)	
	(a) the details of technology imported	
	(b) the year of import;	
	(c) Whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof	
(iv)	The expenditure incurred on Research and Deve3lopment	







## **STERLING**

GUARANTY & FINANCE LIMITED

### **PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT BY THE COMPANY**

During the year under review, no Loan, Guarantees or Investment is made by the company.

#### **(c) Foreign Exchange Earnings and Outgo**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

### **SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2016 stood at Rs.653.76 lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity shares. As on March 31, 2015, none of the Director of the Company hold instrument convertible into equity shares of the Company.

### **ACKNOWLEDGEMENT**

Your Director wish to place on record their sincere appreciation for the valuable support received from the Company's bankers, financial institutions, central and state government authorities, clients, consultants, suppliers and members of the company and look forward to a greater measure of the same in the coming years.

**For and on behalf of the Board of Directors**

Place: Mumbai  
Dated: 16/05/2016



*D.D. Mehta*  
**Mr. Dhiren. D. MEHTA**  
**Executive Chairman**

## **COROPORATE GOVERNANCE REPORT**

**(Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange)**

The director present the Company's report on corporate governance for the year ended March31, 2016.

### **COMPANY GOVERNANCE PHILOSOPHY**

The Company is a dormant & inactive company no employee during the year under report. The company complied in all material respects with the requirements of Corporate Governance in terms of clause 49 of the Listing Agreements to the best of its capacity.

### **GOVERNANCE STRUCTURE**

The Corporate Governance structure at Sterling Guaranty & Finance limited is as follows.

- a) Board of Director : The board is entrusted with the ultimate responsibility of the management, direction and performance of the company. As its primary role is fiduciary in nature, the board provides leadership, strategic guidance, objectives and independent view to the company management while discharging its responsibility, thus ensuring that the management adheres to ethics, transparency and disclosure.
- b) Committees of the Board: The Board has constituted the following committee viz, Audit Committee and Share transfer and Investor Relations Committee of Director. Each of the said committee has been mandated to operate within a given framework

### **1. BOARD OF DIRECTORS**

#### **A) Composition of the Board of Directors.**

The Company is fully compliant with the Corporate Governance Norms in terms of constitution of the Board with a good combination of Executive and Non- Executive Directors. As on date Company's Board comprises of 3 Directors, of which 2 are Non- Executive Directors and 1 Executive Director. The Company has one women non- executive independent director on board. All 2 Non-Executive Director are Independent Directors. The Chairman of the Board is Executive Chairman Mr. Dhiren Mehta. The Board represents an optimum mix of professionalism, knowledge and experience in business and industry, finance, management, legal and taxation.

The composition of the Board of Directors and related information for year ended 31<sup>st</sup> March 2016 was as follows:



Name of the Director & Designation	Executive/ Non-executive/Independent	No. of Board Meetings attended	Attendance at the last AGM on 14 <sup>th</sup> August 2014	Directorships in other Companies incorporated in India	No. of other Board Committees of which Member/Chairman
Mr. Dhiren D. Mehta (Chairman) (Executive Chairman)	Executive	5	Yes	1) Indistock Securities Ltd. 2) Sterling Investments (India) Ltd. 3) Computron Systems (Pvt) Ltd. 4) Fixed Income Broker Associations	1) Audit Committee
Mrs. Geeta V. Ashar	Non-Executive Independent Director	5	Yes	Sterling Investments (India) Ltd.	1) Audit Committee 2) Share Transfer & Investor Relations Committee
Mr. Sunil Kumar Jangir	Non-Executive Independent Director	5	Yes	None	1) Audit Committee 2) Share Transfer & Investor Relations Committee

NOTE

1. Directorship excludes Foreign Companies and Alternate Directorship.
2. None of the Directors on the Board holds the office of Director in more than 15 Companies or memberships of Committees of the Board in more than 10 Committees or Chairmanship of more than 5 Committees across all Companies.
3. Only Audit Committee and the Share transfer and Investor Relations Committee of Indian public limited companies have been considered.
4. None of the directors are related to other Director, or to any other employee of the company.

**B) Independent Directors**

The Non- Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of Companies Act, 2013 and Rules made under and meet with the requirement of clause 49 of



the Listing Agreement entered into with the Bombay Stock Exchange. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and listing agreement has been issued.

Company at the time of appointing a director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a director of the company. The Director is also explained in detail the compliance required from him under Companies Act, 2013, Clause 49 of the listing agreement and other relevant regulation affirmation taken with respect to the same. The Company has put in place a system to familiarize the Independent Director about the Company operation and ongoing events relating to Company.

### **C) Board Meetings:**

Seven Board Meetings were held during the year ended 31<sup>st</sup> March 2016, and the gap between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in the Annexure-X of the revised clause 49 of the Listing Agreement. The Agenda is sent in advance to the Directors along with the draft of the relevant documents and explanatory notes wherever required. The dates on which Board Meetings were held were 29<sup>th</sup> May 2015, 30<sup>th</sup> July 2015, 07<sup>th</sup> September 2015, 30<sup>th</sup> October 2015, 21<sup>st</sup> December 2015, 29<sup>th</sup> January 2016 and 31<sup>st</sup> March 2016. Attendance of Directors at the board meeting and at the last Annual General Meeting is as given above.

### **D) Details of Directors being appointed / re-appointed.**

The details of Directors retiring or being re-appointed are given in the notice to Annual General Meeting.

### **E) Code of Conduct**

The Board of Directors play an important role in ensuring good governance and have laid down the Code of Conduct applicable to all Board Members and Senior Management of the Company. The Code of Conduct is displayed on the website of the company viz. [www.sterlingguaranty.com](http://www.sterlingguaranty.com)

### **F) Whistle Blower Policy:**

The necessary steps is being taken to establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of company's code of conduct or ethic's policy.


The Mechanism will provide adequate safeguards against victimization of director(s) / employee(s) who avail mechanism and shall provide for direct access to the Chairman of the Audit Committee in exceptional cases.



## Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2016.

**For Sterling Guaranty & Finance Limited**

  
**Mr. Dhiren D. Mehta**  
**Executive Chairman**  
Date : 16/05/2016

## 2. COMMITTEES OF BOARD

### A. Audit Committee:

#### Qualified and Independent Audit Committee:

The Company has an adequately qualified Audit Committee and its composition meet the requirement of Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement. All members of the Audit Committee are financially literate and bring in expertise in the field of finance, taxation, Economics and Risk.

The Audit Committee of the Board comprises of three members, all of whom are Directors of whom Mrs. Geeta Ashar and Mr. Sunil Jangir are Independent Non executive Directors. The Chairperson of the Committee is Mrs. Geeta Ashar, Mr. Sunil Jangir is a Secretary to the meeting of the Committee.

The terms of reference of the Audit Committee include the matters specified in clause 49 (II) of the Listing Agreement with the Stock Exchanges and also as required under Section 177 of the Companies Act, 2013. The Committee acts as a link between the Statutory Auditor and the Board of Directors of the Company. They are doing there best to comply in view of lack of Secretary as it is not affordable.

The Committee met 4 times during the year before the Board Meeting. The record of attendance of each member of the Committee in the year 2015-2016 is given below:

Name of Director	Position	No. of meetings attended
Geeta Ashar	Chairperson	4
Sunil Kumar Jangir	Secretary	4
Dhiren D. Mehta	Member	4

#### Term of Reference:

The Audit Committee inter alia performs the function of approving review of financial Reporting system, internal control system, discussion on quarterly, half yearly and annual financial results, interaction with Statutory Auditor, also gave the recommendation for the appointment of Statutory



Auditor and their remuneration, reviews of Management discussion and analysis & Statement of significant related party transactions. The Audit Committee had asked the Statutory Auditor to do specific audit of lien and sale of 71600 Equity Shares of Ispat Finance Limited and to the certify sequential event leading in to that. The same was found to be in order as per there certificate dated 28<sup>th</sup> April, 2016.

**B. Remuneration and Nomination Committee:**

The Executive Chairman was appointed without any remuneration. The non-executive directors do not draw any remuneration from the Company. Therefore the Board did not feel the need to constitute a Remuneration and Nomination Committee of Directors.

**C. Share transfer and Investor Relations Committee:**

It is proposed to demate the shares of the Company for convenience of the shareholders. The Company's shares continue to be listed in the "Z" Group on the Stock Exchange, Mumbai. To expedite the transfer of shares held in physical form, authority has been delegated to the Share transfer and Investor Relations Committee which now comprises of :

Sr NO.	Name of the Director	Role	Category
1	Sunil Kumar Jangir	Member	Non-Executive Independent Director
2.	Geeta V. Ashar	Chairperson	Non-Executive Independent Director

The company has maintained a functional website under url [www.sterlingguaranty.com](http://www.sterlingguaranty.com) and the company has a dedicated email id [sterling.guaranty@gmail.com](mailto:sterling.guaranty@gmail.com) for shareholders' communication and grievances.

The Board has delegated the powers to approve transfers of shares held in physical form to any one of the members of the Committee. Share transfers / transmissions approved by the Committee are tabled at the Board Meeting from time to time. The Company has paid the listing fees to the Stock Exchanges, Mumbai. The Minutes of the Share transfer and Investor Relations Committee Meeting are circulated to the board and noted by the Board of Directors at the Board Meeting.

Company has redressed all the complaints received during the year ended 31<sup>st</sup> March, 2015. The Company confirms that as on 31<sup>st</sup> March, 2015, there were no share transfers pending for more than fifteen days from the date of lodgment thereof.



All investor complaints not settled by the Compliance Officer are forwarded to this Committee for final settlement. However, this Committee has so far received no complaint.

### 3. **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary company.

### 4. **DISCLOSURES:**

#### A. **Related Party Transactions.**

All transactions entered in to with the Related parties as defined under the Companies Act 2013 and clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act 2013.

There were no transactions of a materially significant nature with the Promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.

Transactions with related parties during the year are disclosed in Note No.15 of Notes forming part of Financial Statement forming part of Annual Report.

The Audit Committee has reviewed the related party transactions as mandatory required under clause 49 of the Listing Agreement and found them to be not materially significant.

There have been no instances of non-compliance, penalties or strictures on any matter relating to the capital market and listing.

#### B. **Disclosure of Accounting Treatment :**

In the preparation of the financial statements, the company has followed the Accounting Standard referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statement.

The Board is doing its best to do compliance with the provisions of all applicable laws in absence of Company Secretary.

#### C. **Remuneration of Directors:**

Details of remuneration paid / payable to the Directors for the year ended 31<sup>st</sup> March, 2016,

Executive Director : The Executive Director does not draw any remuneration.

Non-executive Directors :



The non-executive Directors do not receive any remuneration by way of commission. During the year sitting fees for attending meetings of the Board or Committees thereof has not been paid considering the financial position of the company.

#### **D. Risk Management :**

The Company has placed in system a detailed risk assessment and minimisation procedures which was reviewed periodically to effectively control the risks. Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the board.

#### **E. SHAREHOLDER INFORMATION**

##### **• GENERAL BODY MEETINGS**

The 31st Annual General Meeting for the year ended 31<sup>st</sup> March 2015 was held at 91-A, Mittal Court, Nariman Point, Mumbai –400021 on Monday, 14<sup>th</sup> September 2015 at 11.00 a.m.

The 30<sup>th</sup> Annual General Meeting for the year ended 31<sup>st</sup> March 2014 was held at Indian Merchant Chambers, Pravinchandra Gandhi Board Room, 4<sup>th</sup> Floor, LNM Bldg., IMC Marg, Churchgate, Mumbai – 400020 on Thursday, 14<sup>th</sup> August 2014 at 11.00 a.m.

The 29<sup>th</sup> Annual General Meeting for the year ended 31<sup>st</sup> March 2013 was held at Tea Centre, Resham Bhavan, Veer Nariman Road, Mumbai –400020 on Thursday, 8<sup>th</sup> August 2013 at 11.00 a.m.

There was no Extra Ordinary General Meeting held during F.Y. 2015-16.

All the resolutions, including special resolution(s) set out in the respective notices were passed by the Shareholders.

None of the items transacted at the said meetings were required to be passed by postal ballot. At the forthcoming Annual General Meeting to be held. But as there is no items on the agenda requiring postal ballot.

- Annual General Meeting
  - Date & Time : Will Decide.
  - Venue : Will Decide.
  - Dates of book closure notified : Will Decide.
  - Dividend Payment Date : No Dividend recommended
  
- Financial Calendar (tentative)  
(Period April 2015 to March 2016)
  - First Quarter Results : To be published by end July 2016
  - Second Quarter & Half Year Results : To be published by end of October 2016
  - Third Quarter Results : To be published by end of January 2017
  - Results for the year ending 31-03-2016 : To be published by end of May 2017
  - Annual General Meeting : Will decide.





- Stock Exchanges where Company's Shares are listed : The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400023.
- Scrip Code : 508963 – BSE

- **Registrars and Transfer Agents :**

The work of Register and Transfer Agents is handled in house by the Company at the following address:

C/O Indistock Securities Ltd.  
91-A, Mittal Court,  
Nariman Point  
Mumbai-400 021.

- **Share Transfer System**

All physical share transfers are effected within 15 days of lodgment, subject to the documents being in order. The Share Transfer Committee meets as and when required. It is proposed to demat the shares of the Company.

- **Distribution of Shareholding as at 31<sup>st</sup> March, 2016**

No. of Shares held		Shareholders		Share Amount	
No.	No.	Number	% of total	(in Rs.)	% to Total
Upto	5000	14,953	99.71	2,74,00,240	41.91
5001	10000	13	0.09	8,78,730	1.34
10001	20000	14	0.09	19,06,000	2.92
20001	30000	2	0.01	4,68,500	0.72
30001	40000	1	0.01	3,06,500	0.47
40001	50000	0	0.00	0	0.00
50001	100000	4	0.03	26,76,000	4.09
100001	and above	9	0.06	3,17,40,030	48.55
<b>Total</b>		<b>14,996</b>	<b>100.00</b>	<b>6,53,76,000</b>	<b>100.00</b>



- **Distribution of shareholding** according to categories of shareholders as at 31<sup>st</sup> March, 2016

Category Code	Category of shareholder	No. of shareholder	Total No. of shares	% to total
(A)	<b>Shareholding of Promoter and Promoters Group</b>			
1.	Indian	16	31,17,806	47.69
2.	Foreign	0	0	0.00
	Sub Total	16	31,17,806	47.69
(B)	<b>Public Shareholding</b>			
1.	Institution	3	63,500	0.97
2.	Non Institution	14990	33,56,294	51.34
	Sub Total	14993	34,19,794	52.31
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			
1.	Promoter and Promoter Group	0	0	0.00
2.	Public	0	0	0.00
	Sub Total	0	0	0.00
	Grand Total A+ B + C	15009	65,37,600	100.00

- **Stock Market price data at BSE** : High / Low during each month for the period 2015-2016 at BSE is not given as no transaction has taken place at BSE as per information available on BSE Website.

## 5. MEANS OF COMMUNICATION

### Financial Results

The Quarterly, Half Yearly and Annual Financial Results are submitted to the Stock Exchanges at Bombay Stock Exchange in the prescribed format on the conclusion of the Board Meeting at which the results are taken on record.

The Company has a website [www.sterlingguaranty.com](http://www.sterlingguaranty.com). The Annual Report and Quarterly Financial Results are also available at company's web site. There were no presentations made to institutional investors or analysts.

The Company has a dedicated email: [sterling.guaranty@gmail.com](mailto:sterling.guaranty@gmail.com) in the Secretarial Department to enable investors to communicate with the Company & the investor correspondence Address is at

### INVESTOR ADDRESS CORRESPONDENCE NEW ADDRESS :

Sterling Guaranty & Finance Ltd.  
C/O Indistock Scurities Ltd.  
Mrs. Geeta V. Ashar  
91-A, Mittal Court,  
Nariman Point,  
Mumbai-400 021

Sterling Guaranty & Finance Ltd.  
C/O Indistock Scurities Ltd.  
Mr. Dharmen D. Mehta  
G-9, Duru Mahal, F-Road,  
84, Marine Drive,  
Mumbai – 400 002

The Management's Discussion & Analysis Report for the year ended 31<sup>st</sup> March, 2016 forms part of this Annual Report which is posted to the shareholder of the Company.



## 6. CEO/ CFO Certification:

The Company does not have any designated CFO / CEO. However Mr. Sunil Kumar Jangir, Director and Mr. Dhiren D. Mehta, Executive Chairman of the Company has certified to the Board that:

( a ) They have reviewed financial statements and cash flow statements for the year and that to the best of their knowledge and belief:

( i ) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

( ii ) these statements together presents a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

( b ) There are, to the best of their knowledge and belief, no transactions entered in to by the company during the period which are fraudulent, illegal or violative of the company's code of conduct.


( c ) They have accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

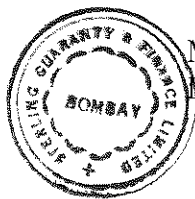
( d ) They have indicated to the auditors and the Audit committee.


( i ) significant changes in internal control during the year;

( ii ) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

( iii ) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

  
Mr. Dhiren D. Mehta  
Executive Chairman



  
Mr. Sunil Kumar Jangir  
Director

Place : Mumbai  
Date : 16/05/2016

## 7. REPORT ON CORPORATE GOVERNANCE:

The Corporate Governance Report forms part of the Annual Report.


**8. COMPLIANCE CERTIFICATE :**

Certificate from Statutory Auditors confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Bombay Stock Exchange is attached and forms part of this report.

For & On behalf of the Board of Directors

Place: Mumbai  
Date: 16/05/2016



  
**Dhiren D. Mehta**  
Executive Chairman

# Vinod S. Mehta & Co.

CHARTERED ACCOUNTANTS

114, JOLLY BHAVAN-1, 10, NEW MARINE LINES, MUMBAI - 400020.  
TEL. : 6633 3501 / 02 / 03 / 04 • FAX : 91-22-6633 3506  
Email : cavsmehtha@gmail.com

## Auditor's Compliance Certificate on Corporate Governance

To

**The Members of Sterling Guaranty & Finance Limited:**

We have examined the compliance of conditions of corporate governance by **Sterling Guaranty & Finance Ltd.** for the year ended on 31<sup>st</sup> March 2016, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

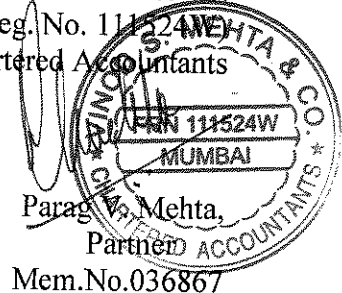
The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the non-publication of the financial results in the newspaper, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Vinod S. Mehta & Co.  
(Firm Reg. No. 11124W)  
Chartered Accountants



Date : 16 MAY 2016  
Place : Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW:

The Company Sterling Guaranty & Finance Ltd. (SGFL) is inactive and dormant company for last several years. It has suffered before Tax loss of Rs.6.45 lacs for the financial year ended March 31, 2016 compared to loss of Rs. 4.44 lacs in the previous year. The accumulated loss is Rs. 835.08 lacs compared to share holders' funds of Rs.771.30 lacs. The Company has negative Net worth as on March 31, 2016 of Rs.63.79 lacs against Rs. 57.34 lacs of last year.

### RESOURCES AND LIQUIDITY:

The Company has not accepted any fixed deposits from the public during the year 2015-2016 and there are no outstanding liabilities for deposits. The company has borrowed interest free Inter Corporate Deposit from Sterling Investments (India) Ltd., a registered NBFC and outstanding amount payable as on 31-03-2016 is Rs.63.90 lacs compared to previous year of Rs.57.50 lacs. They have now refused to give further finance. This will make it difficult for the company to meet minimal operational expenses, BSE listing fees and Audit Fees etc.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The NBFC sector in India is represented by a mix of a few large companies with nationwide presence and a large number of small and medium sized companies with regional focus. The Reserve Bank of India regulates the operations of NBFCs. In last year, revival appears to be on the agenda of regulators.

### OPPORTUNITIES:

The Company can revive its NBFi activity if fresh funds are invented.

### CHALLENGES:

The NBFC sector continues to face competitive pressures from the banking sector and financial institutions, due to their increased penetration in the consumer financing market, with comparatively low cost of funds at their disposal. The spreads in the lending business have also narrowed considerably, bringing risk-adjusted margins to make it unviable.

### OUTLOOK:

Hopefully the Company will be revived by intension of capital or otherwise will have to be liquidated.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate control system to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws & regulations. The Audit Committee of Directors reviews the adequacy of internal control periodically.

### CAUTIONARY STATEMENT AND CONCERNS:

The company is exposed to specific risks of interest rate fluctuations, credit risk, lack of resources which are peculiar to its businesses and the environment within which it operates.



Statements in "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectation or prediction may be "forward looking statements" within the meaning applicable securities law & regulations. Actual results could differ materially from those expressed or implied. Many unforeseen factors may come into play and affect results, which could be different from what the Management envisages in terms of performance and outlook.



**ANNEXURE- III**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65990MH1983PLC031384
2.	Registration Date	21-11-1983
3.	Name of the Company	STERLING GUARANTY & FINANCE LIMITED
4.	Category/Sub-category of the Company	Public company/ limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	G-9, Duru Mahal, F-Road ,84 Marine Drive, Mumbai – 400021 Tel: 98211-63900 E-Mail : sterling.guaranty@gmail.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	G-9, Duru Mahal, F-Road ,84 Marine Drive, Mumbai – 400021 Tel: 98211-63900 E-Mail : sterling.guaranty@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	None *	N.A.	N.A.

\*As there were no operation/business activities carried out during the year under report, the question of disclosure of business activities contributing 10% or more does not arise.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company does not have any Holding, Subsidiary and Associate Company during F.Y. 2015-16.

SN	Name and Address of the company	CIN/GIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.





IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity  
a) \_Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	0	10,92,384	10,92,384	16.71	0	10,92,384	10,92,384	16.71	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	20,25,422	20,25,422	30.98	0	20,25,422	20,25,422	30.98	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Sub - Total	0	31,17,806	31,17,806	47.69	0	31,17,806	31,17,806	47.69	0.00
(2) Foreign									0.00
a) NRIs -Individual	0	0	0	0	0	0	0	0	0.00
b) Other - Individual	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
Sub -Total	0	0	0	0	0	0	0	0	0.00
<b>Total shareholding of Promoter (A) =(A) 1 + (A) 2</b>	0	31,17,806	31,17,806	47.69	0	31,17,806	31,17,806	47.69	0.00
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	700	700	0.01	0	700	700	0.01	0.00
b) Banks / FI	0	62,800	62,800	0.96	0	62,800	62,800	0.96	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00



e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	0	63,500	63,500	0.97	0	63,500	63,500	0.97	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.									0.00
i) Indian	0	4,32,036	4,32,036	6.61	0	4,32,036	4,32,036	6.61	0.00
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	27,92,058	27,92,058	42.71	0	27,92,058	27,92,058	42.71	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1,31,700	1,31,700	2.01	0	1,31,700	1,31,700	2.01	0.00
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0.00
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
Clearing Members	0	0	0	0	0	0	0	0	0.00
Trusts	0	0	0	0	0	0	0	0	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.00
Director & Their Relatives	0	500	500	0.01	0	500	500	0.01	0.00
<b>Sub-total (B)(2):-</b>	0	33,56,294	33,56,294	51.34	0	33,56,294	33,56,294	51.34	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	34,19,794	34,19,794	52.31	0	34,19,794	34,19,794	52.31	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00



<b>Grand Total (A+B+C)</b>	0	65,37,600	65,37,600	100.00	0	65,37,600	65,37,600	100.00	0.00
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B) Shareholding of Promoter-

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Number of shares	% of total shares of the company	% of shares pledged / encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares*	
1	MEENA MEHTA	20	0.00	0.00	20	0.00	0.00	0.00
2	MEENA DHIREN MEHTA/DHIREN DHIRAJLAL MEHTA	143700	2.20	0.00	143700	2.20	0.00	0.00
3	DHIREN DHIRAJLAL MEHTA/MEENA MEHTA	1000	0.02	0.00	1000	0.02	0.00	0.00
4	DHIREN DHIRAJLAL MEHTA	511881	7.83	0.00	511881	7.83	0.00	0.00
5	DHIREN DHIRAJLAL MEHTA/MEENA DHIREN MEHTA	76500	1.17	0.00	76500	1.17	0.00	0.00
6	DHIREN DHIRAJLAL MEHTA/MEENA MEHTA	200000	3.06	0.00	200000	3.06	0.00	0.00
7	DHARMEN D MEHTA	2850	0.04	0.00	2850	0.04	0.00	0.00
8	DHARMEN DHIREN MEHTA	263	0.00	0.00	263	0.00	0.00	0.00
9	ADITI D MEHTA/DHIREN D MEHTA/MEENA D MEHTA	500	0.01	0.00	500	0.01	0.00	0.00
10	DHIRAJLAL SHAH	20	0.00	0.00	20	0.00	0.00	0.00
11	COMPUTRON SYSTEMS PVT LTD	150000	2.29	0.00	150000	2.29	0.00	0.00
12	SHANTA D SHAH/MEENA D MEHTA	30650	0.47	0.00	30650	0.47	0.00	0.00
13	DHIREN D MEHTA	125000	1.91	0.00	125000	1.91	0.00	0.00
14	STERLING INVESTMENTS (I) PVT. LTD.	442672	6.77	0.00	442672	6.77	0.00	0.00
15	STERLING INVESTMENTS (INDIA) LTD.	605200	9.26	0.00	605200	9.26	0.00	0.00
16	INDISTOCK SECURITIES LTD.	827550	12.66	0.00	827550	12.66	0.00	0.00
<b>TOTAL</b>		<b>3117806</b>	<b>47.69</b>		<b>3117806</b>	<b>47.69</b>		

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	31,17,806	47.69	31,17,806	47.69
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	31,17,806	47.69	31,17,806	47.69



Note : There is no change in the total shareholding of promoters between 01-04-2015 and 31-3-2016.  
There were no inter Transfer among Promoters during F.Y. 2015-16.

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year					Cumulative shareholding during the year	
		Number of shares	% of total shares of the company	Date	Increase or Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the company
1	Bhavna Holdings Pvt. Ltd.	1,68,000	2.57		Nil		1,68,000	2.57
2	Ispat Finance Ltd.*	71,600	1.10		Nil		71,600	1.10
3	Bank of India	62,700	0.96		Nil		62,700	0.96
4	Insure Electro (SMB) Pvt. Ltd.	56,800	0.87		Nil		56,800	0.87
5	Vinod Hingorani	25,200	0.39		Nil		25,200	0.39
6	Ellenbarrie Finlest Limited	21,650	0.33		Nil		21,650	0.33
7	Priya International Ltd.	15,100	0.23		Nil		15,100	0.23
8	Rakesh Dungarshi Shah	15,100	0.23		Nil		15,100	0.23
9	Santosh Kumar Jain	15,100	0.23		Nil		15,100	0.23
10	International Constructions Limited	15,100	0.23		Nil		15,100	0.23

\* Share under lien under Article 20 to 24 for the amount due to the company.

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	DHIREN DHIRAJLAL MEHTA Executive Chairman				
	At the beginning of the year	9,14,381	13.99	9,14,381	13.99
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	9,14,381	13.99	9,14,381	13.99
2.	GEETA V ASHAR Independent Non- Executive Director				
	At the beginning of the year	500	0.01	500	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	500	0.01	500	0.01



3.	SUNIL KUMAR JANGIR Independent Non- Executive Director				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	0	0.00	0	0.00

#### V INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>		(Inter Corporate Deposit)		
i) Principal Amount	Nil	5750000	Nil	5750000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	5750000	Nil	5750000
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	640000	Nil	640000
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	640000	Nil	640000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	6390000	Nil	6390000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	6390000	Nil	6390000

\* Unsecured Loan represents the Inter Corporate Deposit borrowed by the Company

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The company has not paid any Remuneration including salary during the year to Executive Director

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Dhiren Mehta, Executive Chairman	
1	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under	Nil	Nil



	section 17(3) Income- tax Act, 1961		
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act	N.A.	N.A.

**B. Remuneration to other directors**

The company has not paid any Remuneration including salary during the year to Independent Non executive Directors.

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Sunil Kumar Jangir	Mrs. Geeta V. Ashar-	
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil
2	Other Non-Executive Directors	NONE	NONE	
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act	N. A	N.A	N.A

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :**

The company has not paid any Remuneration including salary during the year as Company does not have any CEO / Company Secretary / CFO.

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil



5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no instances of any penalties / punishment /compounding of offences for the year ended 31<sup>st</sup> march 2015

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
<b>B. DIRECTORS</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A



# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

114, JOLLY BHAVAN-1, 10, NEW MARINE LINES, MUMBAI - 400020.  
TEL. : 6633 3501 / 02 / 03 / 04 • FAX : 91-22-6633 3506  
Email : cavsmehta@gmail.com

### Independent Auditor's Report

To the Members of  
**STERLING GUARANTY & FINANCE LIMITED**

#### Report on the Stand alone Financial Statements

We have audited the accompanying stand alone financial statements of **STERLING GUARANTY & FINANCE LIMITED** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2016, the statement of profit and loss and the cash flow statement for the year, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

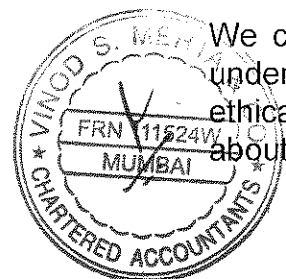
The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect of the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

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Email : cavsmehtha@gmail.com

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

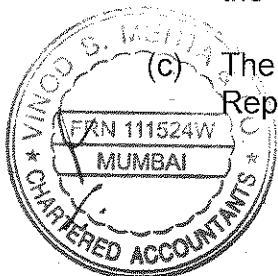
### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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;

(c) The balance sheet and the statement of profit and loss, dealt with by this Report, are in agreement with the books of account;



# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

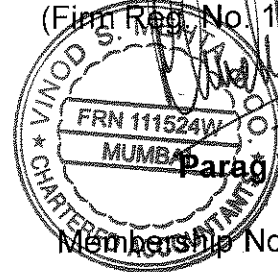
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TEL. : 6633 3501 / 02 / 03 / 04 • FAX : 91-22-6633 3506  
Email : cavsmehta@gmail.com

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the director is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigation on its financial position.
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company incorporated in India.

Place: Mumbai  
Date:

16 MAY 2016

For Vinod S. Mehta & Co.  
Chartered Accountants  
(Firm Reg. No. 111524W)



Parag V. Mehta  
Partner  
Membership No: 036867

# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

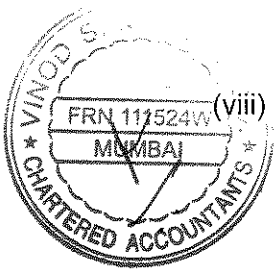
114, JOLLY BHAVAN-1, 10, NEW MARINE LINES, MUMBAI - 400020.  
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### “Annexure A” to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 of our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) The company does not have any fixed assets and hence the reporting requirements contained in clause 4(i) of the order regarding inventory are not applicable to the company.
- (ii) The company does not have any inventory as it is a dormant and inactive service company and hence the reporting requirements contained in clause 4(ii) of the order regarding inventory are not applicable to the company.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, the provisions of Clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits from the public. Further, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable in this regard, have been complied with.
- (vi) As per the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the companies Act, 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise, sales tax, duty of customs, service tax or any other statutory dues outstanding for more than 6 months.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.



# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

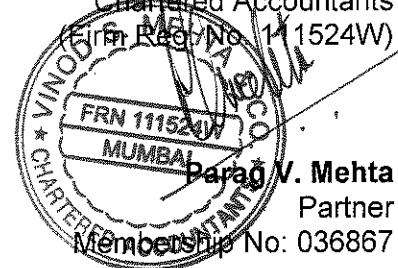
114, JOLLY BHAVAN-1, 10, NEW MARINE LINES, MUMBAI - 400020.  
TEL. : 6633 3501 / 02 / 03 / 04 • FAX : 91-22-6633 3506  
Email : cavsmehta@gmail.com

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment during the year which is prejudicial to the interest of the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is a NBFC and is registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Mumbai

Date : 16 MAY 2016

For Vinod S. Mehta & Co.  
Chartered Accountants  
(Firm Reg. No. 111524W)



Parag V. Mehta  
Partner

Membership No: 036867

# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

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114, JOLLY BHAVAN-1, 10, NEW MARINE LINES, MUMBAI - 400020.  
TEL. : 6633 3501 / 02 / 03 / 04 • FAX : 91-22-6633 3506  
Email : cavsmehta@gmail.com

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### Annexure - B to the Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

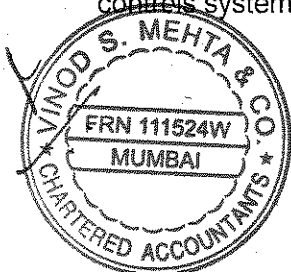
We have audited the internal financial controls over financial reporting of **STERLING GUARANTY & FINANCE LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# Vinod S. Mehta & Co.

## CHARTERED ACCOUNTANTS

114, JOLLY BHAVAN-1, 10, NEW MARINE LINES, MUMBAI - 400020.  
TEL. : 6633 3501 / 02 / 03 / 04 • FAX : 91-22-6633 3506  
Email : cavsmehta@gmail.com

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

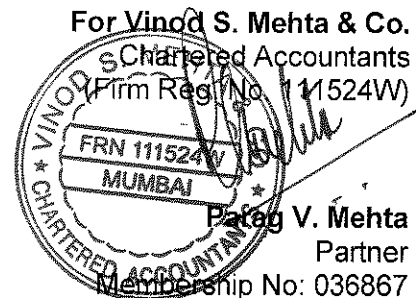
### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date:

16 MAY 2016

For Vinod S. Mehta & Co.  
Chartered Accountants  
Firm Reg. No. 11524W)



**STERLING GUARANTY & FINANCE LIMITED**  
Balance Sheet as at 31st March 2016

( in Rupees)

Particulars	Note No.	31 March 2016	31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share capital	3	6,53,76,000	6,53,76,000
Reserves and surplus	4	(7,17,54,874)	(7,11,09,854)
<b>4 Current liabilities</b>			
Short-term borrowings	5	63,90,000	57,50,000
Other current liabilities	6	17,595	17,360
<b>TOTAL</b>		<b>28,721</b>	<b>33,506</b>
<b>II. ASSETS</b>			
<b>2 Current assets</b>			
Cash and cash equivalents	7	28,721	33,506
<b>TOTAL</b>		<b>28,721</b>	<b>33,506</b>
Significant Accounting Policies and Notes forming part of the Financial Statements			

As per our Report of even date

For and on behalf of the Board

For **VINOD S. MEHTA & CO.**

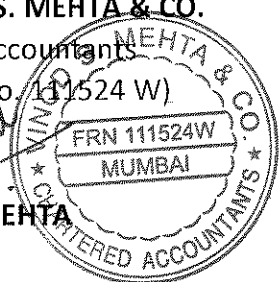
Chartered Accountants

(Firm Reg. No. 111524 W)

**PABAG V. MEHTA**

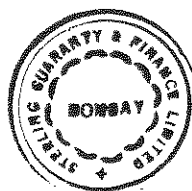
Partner

Mem. No. 036867



**DHIREN D. MEHTA**  
Executive Chairman

**SUNIL KUMAR JANGIR**  
Director



Place : Mumbai

Dated : 16/05/2016

Place : Mumbai

Dated : 16/05/2016

**STERLING GUARANTY & FINANCE LIMITED**  
**Profit and Loss Statement for the year ended 31st March 2016**

( in Rupees)

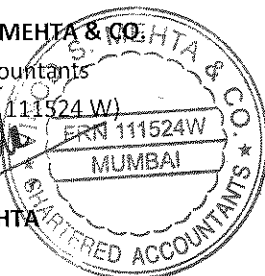
Particulars	Note No.	31 March 2016	31 March 2015
Revenue from Operations		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses:</b>			
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	8	6,45,020	4,44,027
<b>Total expenses</b>		6,45,020	4,44,027
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		(6,45,020)	(4,44,027)
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		(6,45,020)	(4,44,027)
Extraordinary Items		-	-
<b>Profit / (Loss) before tax</b>		(6,45,020)	(4,44,027)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Profit (Loss) for the period from continuing operations</b>		(6,45,020)	(4,44,027)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from Discontinuing operations (after tax)</b>		(6,45,020)	(4,44,027)
<b>Profit (Loss) for the period</b>		(6,45,020)	(4,44,027)
Earnings per equity share:			
(1) Basic		(0.10)	(0.07)
(2) Diluted		(0.10)	(0.07)
Weighted Average Number of Shares (Face Value Rs.10 per share)		65,37,600	65,37,600
Significant Accounting Policies and Notes forming part of the Financial Statements			

As per our Report of even date

For and on behalf of the Board

For **VINOD S. MEHTA & CO.**  
Chartered Accountants  
(Firm Reg. No. 111524 W)

**PABAG V. MEHTA**  
Partner  
Mem. No. 036867



**DHIREN D. MEHTA**  
Executive Chairman

**SUNIL KUMAR JANGIR**  
Director



Place : Mumbai  
Dated : 16/05/2016

Place : Mumbai  
Dated : 16/05/2016



**STERLING GUARANTY & FINANCE LTD.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH 2016**

**1. CORPORATE INFORMATION**

The Company is a dormant company and it has been inactive and has not been carrying on any business or operation since 2009-10 as defined u/s 455 of the Companies Act, 2013 and the rules made there under. The Company has not done any significant accounting transaction since 01<sup>st</sup> April, 2009 other than accepting unsecured interest free borrowing from the promoter company Sterling Investments (India) Ltd. of Rs. 63.90 Lacs as on date (Previous Year – 57.50 Lacs) for the purpose of payment of fees by the company to Registrar to fulfill the requirements of the Companies Act, 2013 and listing of Bombay Stock Exchange and also for maintenance of its office and records.

The Reserve Bank of India by its letter dated 17/02/2016 has advised the company to surrender the Certificate of Registration (CoR) bearing no. 13.01229 dated 20/04/1999. The company has not been doing any NBFBI business as per the direction issued by the RBI since 2006.

**2. STATEMENT OF ACCOUNTING POLICIES**

The below stated accounting policies were followed when the company was not an inactive and dormant company.

a) The Company follows the accrual system of accounting unless stated otherwise.

b) Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles and provisions of the Companies Act 2013, as adopted consistently by the Company.

c) Use of Estimates:

The presentation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

d) Income Recognition:

The Company's income from operations is accounted for on accrual basis.

e) Expenses

All crystallised claimed expenses are provided for on accrual basis.

f) Valuation:

(i) Stocks of Investment Securities are classified into current and long term Investments. Current Investments are valued at Global method at cost or market value whichever is lower. Long term Investments and Non-Current are valued at cost.

(ii) Market value of Trading Securities (Current investments) is determined as under



- Quoted securities are taken at highest year end closing market rates prevailing at the principal exchanges where they are traded.
- The Rights entitlements for shares/debentures are taken at the year end closing market rates applicable for relevant shares / debentures less uncalled liability, if any.
- Unquoted Securities are taken at cost or break up value whichever is lower.
- Traded Government Securities are taken on the basis of NSE quotations and non-traded Government securities are taken on the basis of prevailing YTM.

(iii) Stocks of Derivatives are valued at MTM taken by the exchange at year end.

They are treated as Trading Securities in the books. Profit or loss of the same is accounted as and when they are settled or squared up.

g) Depreciation:

- i The company does not have any fixed assets as on year end and therefore no depreciation is provided as prescribed under Schedule II of the Companies Act 2013.

h) Borrowing Costs:

Borrowing costs, which are directly attributable to the acquisition/ construction of fixed assets, till the time such assets are ready for intended use, are capitalized as part of the cost of the assets. Other borrowing costs are recognized as and when expenses in the year in which they are incurred.

- i) Provision for Bad & doubtful Debts is made based on the RBI guidelines to Non-Banking Financial Companies Prudential Norms.
- j) No provision has been made in the books of accounts of the Company on account of retirement benefits of the employees, in accordance with the AS-15 issued by the ICAI, as there are no employees.
- k) Taxation: Income tax expenses comprises current tax and deferred tax charge or credit.

Provision for Income Tax for the year 01.04.2015 to 31.03.2016 has not been made as there is no taxable income during the year in view of loss incurred during the year.

Deferred Tax: The Accounting Standard AS-22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India has become applicable to the company. The cumulative Net Deferred Tax Assets as at 01.04.2015 and Deferred Tax Assets for the current year has not been recognised by the company as there is no certainty that sufficient future taxable income will be available against which such deferred tax can be realised.



**NOTE 3**  
**SHARE CAPITAL**

( in Rupees)

Share Capital	31-Mar-16	31-Mar-15
	Amount	Amount
<b>Authorised</b>		
2,50,000 (P.Y. 2,50,000) Preference Shares of Rs.10 each	25,00,000	25,00,000
67,50,000 (P.Y.67,50,000) Equity Shares of Rs.10 each	6,75,00,000	6,75,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
65,37,600 (P.Y. 65,37,600) Equity Shares of Rs.10 each fully paid up	6,53,76,000	6,53,76,000
<b>Total</b>	<b>6,53,76,000</b>	<b>6,53,76,000</b>

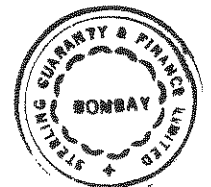
The company has only one class of Issued, Subscribed and Paid up shares referred to as Equity Shares having a par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March 2016 and 31st March 2015 is set out below:

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	65,37,600	6,53,76,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	65,37,600	6,53,76,000

Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Equity shares of Rs. 10 each fully paid up

SR NO	Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Dhiren Dhirajlal Mehta	6,36,881	9.74%	6,36,881	9.74%
2	Indistock Securities Ltd	8,27,550	12.66%	8,27,550	12.66%
3	Sterling Investments (India) Ltd	10,47,872	16.03%	10,47,872	16.03%



## Note 4

## RESERVES &amp; SURPLUS

<u>Reserves &amp; Surplus</u>	( in Rupees)	
	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>Securities Premium Account</b>		
Opening Balance		
Closing Balance	1,04,88,542	1,04,88,542
	1,04,88,542	1,04,88,542
<b>Statutory Reserve u/s 45IC of RBI Act</b>		
Opening Balance		
Closing Balance	12,65,000	12,65,000
	12,65,000	12,65,000
<b>Surplus</b>		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	(8,28,63,396)	(8,24,19,369)
Closing Balance	(6,45,020)	(4,44,027)
	(8,35,08,416)	(8,28,63,396)
<b>Total</b>		
	(7,17,54,874)	(7,11,09,854)

## NOTE 5

## SHORT TERM BORROWINGS

<u>Short Term Borrowings</u>	( in Rupees)	
	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>Unsecured</b>		
Deposits - Intercorporate Deposits		
Sterling Investments (India) Ltd		
( Company in which director of the company is a director)	63,90,000	57,50,000
<b>Total</b>		
	63,90,000	57,50,000

## NOTE 6

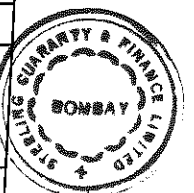
## OTHER CURRENT LIABILITIES

<u>Other Current Liabilities</u>	( in Rupees)	
	As at 31 March 2016	As at 31 March 2015
	₹	₹
Other Liabilities		
	17,595	17,360
<b>Total</b>		
	17,595	17,360

## NOTE 7

## CASH AND CASH EQUIVALENTS

<u>Cash and cash equivalents</u>	( in Rupees)	
	As at 31 March 2016	As at 31 March 2015
	₹	₹
Cash on hand		
Balance with banks in Current Account	1,070	1,422
	27,651	32,084
<b>Total</b>		
	28,721	33,506



**NOTE 8****OTHER EXPENSES****( in Rupees)**

Other expenses	As at 31 March 2016	As at 31 March 2015
	₹	₹
Telephone , Postage	1,51,902	1,54,526
Printing & Stationary	1,39,776	1,05,410
Payment to Auditors - Audit fees	13,275	12,360
Annual Listing & Registration Fees	2,43,320	1,12,360
Legal & Professional Fees	83,000	39,000
Miscellaneous Expenses	13,747	20,371
<b>Total</b>	<b>6,45,020</b>	<b>4,44,027</b>



## OTHER NOTES

1. There is no Contingent Liability as on the year end. (Previous year Rs. Nil)
2. The Income Tax assessments have been completed up to assessment year 2014-2015.
3. The Earning and Expenditure in foreign currency Rs. Nil ( Previous Year Rs. Nil)
4. The Company had followed the Guidelines issued by the Reserve Bank of India to all Non Banking Financial Companies regarding Asset Classification, Provisioning for and income recognition on non-performing assets as applicable to it. However the Net Owned Funds of the company has fallen below the minimum prescribed limit of Rs. 25 lacs and therefore no NBFI business has been done by the company. In terms of paragraph 13 of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007, as amended, the particulars as applicable to the company are appended to the Balance Sheet.
5. Sundry debit / credit balances of parties are subject to confirmation and reconciliation if any.
6. AS-18 Related party Transactions.

As per accounting standard AS 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India ,the company's' related parties in terms of AS 18 are disclosed below:

Key Management Personnel:

Mr. Dhiren D. Mehta – Executive Chairman (Honorary)

Associate:

Sterling Investments (India) Ltd.

The company's related party transactions are as follows:

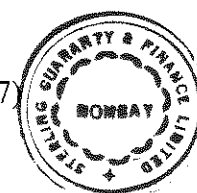
**Company has made Interest free Borrowing from its Associate Company Sterling Investments (India) Limited for meeting day to day expenditure.**

Sr. No.	Related Party	Nature of Relation	Nature of Transaction	Op. Bal (Cr. Bal)	Addition	Deletion	Cl. Bal (Cr. Bal)
1	Sterling Invt (India) Ltd.	Associate	Borrowing	57,50,000/-	6,40,000/-	0/-	63,90,000/-

No Remuneration including salary was paid during the year

7. The Segment Reporting under accounting standard AS-17 Segment Reporting issued by The Institute of Chartered Accountants of India is not applicable to the company, as company has operated only in one segment i.e. finance and its related activities during the year under report.
8. As per AS-20 on "Earning Per Share (EPS)" issued by The Institute of Chartered Accountants' of India, the particulars of EPS for Equity shareholders are as follows :

		<u>Current Year</u>	<u>Previous Year</u>
1. Net Profit / ( Loss ) as per Profit & Loss Account available for Equity Share Holder	(Rs.)	(6,45,020)	(Rs.) (4,44,027)



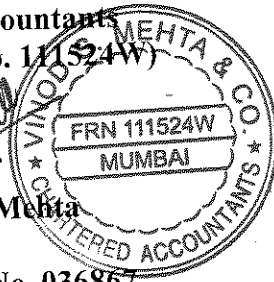
- |   |       |           |       |           |
|---|-------|-----------|-------|-----------|
| 2. Weighted Average No. of Equity Shares outstanding. | (Nos) | 65,37,600 | (Nos) | 65,37,600 |
| 3. Basic & Diluted Earning per Share (EPS)            | (Rs.) | (0.10)    | (Rs.) | (0.07)    |
| 4. Face Value per share                               | (Rs.) | 10        | (Rs.) | 10        |
9. ( a ) Based on the information available with the company regarding the status of creditors under the "Industries (Development and Regulation) Act ,1951, there are no amounts due to Small scale Industrial undertaking exceeding Rs.1 lacs which is outstanding for more than 30 days.
- ( b ) In the absence of necessary information with the Company, relating to the registration status of creditor under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.
10. The Previous years' figures have been re-grouped/re-arranged/ reclassified /re-casted/re-stated wherever necessary.

In terms of my attached Report of even date

For and on behalf of Board

For VINOD S. MEHTA & CO.  
Chartered Accountants  
( Firm Reg. No. 111524W )

Mr. Parag V. Mehta  
Partner  
Membership No. 036867



*Dhirend D. Mehta*  
DHIREND. MEHTA  
Executive Chairman

*Sunil Kumar Jangir*  
SUNIL KUMAR JANGIR  
Director



Place : Mumbai  
Date : 16/05/2016

Place : Mumbai  
Date : 16/05/2016

**STERLING GUARANTY & FINANCE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	( in Rupees)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / ( Loss ) before Provision, Tax and Extraordinary items	(6,45,020)	(4,44,027)
Adjustments for :		
Depreciation/ Lease Adjustment	-	-
Profit/Loss on sale of Fixed Assets (Net)	-	-
Loss on Investments (Net)	-	-
<b>Operating Profit / ( Loss ) before Working Capital Chages</b>	<b>(6,45,020)</b>	<b>(4,44,027)</b>
Adjustments for :		
Trade and other receivables	-	-
Inventories	-	-
Deposits	6,40,000	4,45,000
Other payables	235	(780)
<b>Cash Generated from Operations</b>	<b>(4,785)</b>	<b>193</b>
Direct taxes paid	-	-
Prior Year refund/payment of Tax (Net)	-	-
<b>Net cash from operating Activities</b>	<b>(A) (4,785)</b>	<b>193</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale/W/off of Investments	-	-
<b>Net cash used in investing Activities</b>	<b>(B) -</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	-
Proceed from long term borrowings	-	-
Sale of Fixed Assets	-	-
Bank Cash Credi/term Loan	-	-
Misc. Expenses	-	-
Dividends Paid	-	-
Share Application Refunds	-	-
<b>Net cash used in Financing Activities</b>	<b>(C) -</b>	<b>-</b>
<b>Net increase in cash and Cash Equivalents</b>	<b>(A+B+C) (4,785)</b>	<b>193</b>
Cash & Cash Equivalents as at the Beginning of the year (Opening Balance)	33,506	33,313
Cash & Cash Equivalents as at the Close of the year (Closing Balance)	28,721	33,506

Note :

1. All figures in brackets are outflows.
2. Previous years' figures have been regrouped/reclassified wherever necessary.
3. Cash & Cash equivalents is cash & Bank Balances as per Balance Sheet.
4. There is no operational activities during the year as advised by RBI.

As per our Report of even date

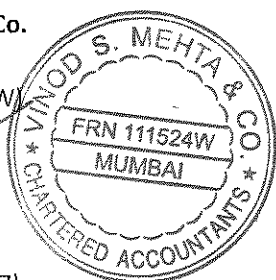
For Vinod S. Mehta & Co.

Chartered Accountants  
(Firm Reg. No. 111524W)

PARAG V. MEHTA

Partner

(membership No. 36867)



For and on behalf of the Board

*D. Mehta*  
DHIREN D. MEHTA  
Executive Chairman

*Sunil Kumar Jangir*  
SUNIL KUMAR JANGIR  
Director



Place : Mumbai

Dated : 16/05/2016

Place : Mumbai

Dated : 16/05/2016