



**STERLING**  
**GUARANTY & FINANCE LIMITED**

**ANNUAL REPORT AND ACCOUNTS – 2017-2018**



**ANNUAL REPORT & ACCOUNTS 2017-2018**

Board of Directors: Mr. Dhiren Mehta – Chairman & Managing Director  
(DIN: 00036743)

Mrs. Geeta Ashar – Independent Director  
(DIN: 00036710)

Mr. Sunil Jangir – Independent Director  
(DIN: 06653333)

Ms. Aditi Mehta – Additional Woman Director  
(DIN - 01173259) (FCA No. 113426)

Ms. Savita D. Kumawat – Independent Director

Company Secretary & Compliance Officer: Ms. Richa Sharma  
(FCS No. F-7624)  
Mrs. Geeta V. Ashar

Auditors: M/s J. H. Bhadari & Co.  
Chartered Accountants

Registered Office: G- 9, Duru Mahal, 84 Marine Drive F Road,  
CIN No. : L65990MH1983PLC031384  
Mumbai – 400002  
Phone: 022 22840078 | Fax: 022 22048738  
Email: [sterling.guaranty@gmail.com](mailto:sterling.guaranty@gmail.com)  
Website: [www.sterlingguaranty.com](http://www.sterlingguaranty.com)

Correspondence Office: C/O Indistock Securities Ltd.,  
91 A, Mittal Court Nariman Point,  
Mumbai 400021

Registrar & Share Transfer Agent: Purva Sharegistry (India) Pvt. Ltd.  
9 Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Near Lodha Execelus,  
Lower Parel East,  
Mumbai-400 011.  
Email : [support@purvashare.com](mailto:support@purvashare.com)  
Telephone No. 022-23018261/23016761

Bankers: HDFC Bank

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2	DIRECTORS' REPORT & MANAGEMENT DISCUSSION & CORPORATE GOVERNANCE REPORT & MGT – 9
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4	STANDALONE INDEPENDENT AUDITORS' REPORT
5	STANDALONE FINANCIAL STATEMENTS



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**NOTICE** is hereby given that the **34th(Thirty Fourth) ANNUAL GENERAL MEETING** of the members of **STERLING GUARANTY & FINANCE LIMITED** will be held at Ashok Birla Board Room, Indian Merchant's Chamber, Churchgate, Mumbai 400021 on Friday, 28<sup>th</sup> December, 2018 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited financial Statements of the company for the financial year ended March 31, 2018 and the Independent Auditor's Report and Director's Report, Management Discussion and Analysis and Corporate Governance Report.

2. Appointment of Auditors :

To appoint Statutory Auditors to hold office until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, as amended from time to time, M/S J. H. Bhandari Co. Chartered Accountants (ICAI Firm Registration No. 138960W), the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the AGM of the Company, on such remuneration plus travelling and out of pocket expenses, as may be mutually agreed upon between the Auditors and the Board of Directors of the Company".

**SPECIAL BUSINESS:**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **ORDINARY RESOLUTIONS:-**

3. **COMPOSITION OF BOARD :**

- i. **"RESOLVED THAT** Dhiren D. Mehta age 67 is the Chairman and Additional Director, was appointed on 25<sup>th</sup> October, 2017, be and is hereby reappointed as Chairman and Director of the Company".
- ii. **"RESOLVED THAT** Ms. Aditi Mehta (DIN: 01173259) (FCA No. 113426) age 39, was appointed as additional woman director on 03<sup>rd</sup> December, 2018, be and is re-appointed as a Woman Director, CEO and CFO of the Company without remuneration."
- iii. Mr. Sunil Kumar Jangir had been appointed as an Independent Director of the Company w.e.f. 14<sup>th</sup> September, 2015. His term expires in the 34<sup>th</sup> AGM. Board of Directors has received his letter dated 03<sup>rd</sup> December, 2018 that he is not seeking re-appointment for his personal reasons and the same has been approved by the Board of Directors.
- iv. Ms. Geeta Ashar had been appointed as an Independent Director of the Company w.e.f. 14<sup>th</sup> September, 2015. Her term expires in the 34<sup>th</sup> AGM. Board of Directors has received her letter dated 03<sup>rd</sup> December, 2018 that she is not seeking re-appointment for her personal

**REGD. OFFICE: G9 Duru Mahal, 84 Marine Drive, F Rd, Mumbai 400002**

**TEL: 91-22-22840078. Email: [sterling.guaranty@gmail.com](mailto:sterling.guaranty@gmail.com)**

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reasons and age. The same has been approved by Board of Directors.

- v. "RESOLVED THAT Ms. Savita Dunagaram Kumawat, age 27, was appointed as additional director on 03<sup>rd</sup> December, 2018, be and is re-appointed as Independent Director of the Company."

4. **CHANGE IN NAME OF THE COMPANY:**

To consider & if thought fit, to pass, with or without modification(s), following resolutions as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 13 (2) of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary; consent of the members be and is hereby accorded to change the name of the Company From "Sterling Guaranty & Finance Limited" to "Chanakya Corporate Advisory Limited" or "Chanakya Fintech Limited" or "Chanakya Investment Taligent Limited" or any other name as may be approved by the Central Government, Registrar of Companies, Mumbai and other Regulatory Authorities, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

RESOLVED FURTHER THAT the Name Clause being Clause 1 in the Memorandum of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substitute it with the new name of the Company on receipt of approval from ROC.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized to accept any other name approved by the relevant Regulatory Authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval."

5. **ALTERATION OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

To consider & if thought fit, to pass, with or without modification(s), following resolutions as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to provisions of Section 13, Section 4 and other applicable

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**6. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY:**

To consider & if thought fit, to pass, with or without modification(s), following resolutions as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) including any statutory modifications or re-enactment thereof for the time being in force and rules made there under and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms, conditions(s), amendment(s), modification(s) as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee or one or more Directors), the consent of the members of the Company be and is hereby accorded for alteration/amendments/deletion of Articles of Association as follow:

- a. The words “The second director named herein above is a permanent director not liable to retire by rotation” is deleted in Article 112.
- b. Article 114 is deleted”.

**7. VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM BSE:**

To consider & if thought fit, to pass, with or without modification(s), following resolutions as SPECIAL RESOLUTION:

“RESOLVED THAT the Board of Directors is hereby authorized to take the necessary steps for Voluntary Delisting of the Company’s listed Equity Shares from Bombay Stock Exchange Limited (BSE), if within reasonable time, BSE do not make the shares normally tradable and / or allow to raise further share capital on preferential basis.

**RESOLVED FURTHER THAT** in view of the constraint put on by BSE Ltd. on trading of the shares which is detriment to all the stakeholders and more specifically to the public shareholders as their investment have practically become illiquid by keeping it in GSM VI. Also it is not possible to raise further capital for business because of this. The Company is governed by Regulation 27 of SEBI (LODR), 2015, being in the category of Small Companies.

**RESOLVED FUTURE THAT** subject to the provision of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force, the Listing Agreement entered into by the Company with the Stock Exchange where the Equity Shares of the Company are listed, and in accordance with Regulation 8(1)(b) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as may be amended from time to time or re-enactment thereof for the time being in force (“SEBI Delisting Regulations”) and such other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, including those from the Stock Exchange, as may be necessary and subject to such conditions or modifications as may be prescribed or imposed by any authority, while granting such approvals, permissions and sanctions, the consent of the members of the Company be and is hereby accorded to the Board of Directors

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provisions, if any, of the Companies Act, 2013 ("Act") including any statutory modifications or re-enactment thereof for the time being in force and rules made there under and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms, conditions(s), amendment(s), modification(s) as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee or one or more Directors), the consent of the members of the Company be and is hereby accorded for alteration of the Main Object Clause of the Memorandum of Association ("MOA") of the Company such that the existing Clause III A of the MOA of the Company be altered by replacing and substituting the same with the following new clauses viz. Clause III A as under;

- a) To carry on business of buying selling of all types of shares & securities listed or unlisted on stock exchange and of private or public companies and to do business of Arbitrage between the exchanges or between Cash & Derivatives market and to do proprietary trading and investments in shares and securities and to do speculation, hedging and to participate in private placements and IPOs.
- b) To carry on the business of buying selling and dealing in Stressed Assets of the Banks and Institutions either by way of negotiation or tender and also to deal in the assets of the Corporates which are under financial stress and are defaulted and/or are under Insolvency or Winding-up proceedings under any law, statute or any Rules & Regulations.
- c) To carry on business of and to act as financial consultants, Management Consultants, Lease Consultants, Managers/Registrars and Share Transfer Agents to Public including Rights issues, Fixed Deposits / Debenture scheme and provide advice, services, consultancy, in various fields like general administrative, secretarial, Commercial marketing, Financial, Legal Economic, Industrial, Scientific, technical Feasibility Reports, Accountancy, Computer Data Processing, Public Relations, Shares, Portfolio Management, State and Central Statues, Direct and Indirect Taxation, Customs, Excise and other taxes and levies.
- d) To consult, engage in, promote, assist, facilitate and provide for advisory related services on financial, legal, human resource solutions, translation services, information technology risk advisory, licensing management & contract compliances, management solutions, employee repositioning, and any other services, facilities and things required to any organization, company, individual, firm, business, government and semi-government organizations.
- e) To provide advisory related services to high net worth individuals, firms and Companies in wealth management.
- f) To carry on the business of providing fairness opinions, analysis and valuations of companies in the variety of situations including strategic planning, investment planning, corporate operating structure, human reshuffle, acquisitions, mergers, de-mergers, amalgamations and corporate restructuring, financial restructuring and to provide statistical data and various information to any company or governmental organizations or body corporate and also provide consultation regarding research and developments.

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of the Company (hereinafter referred to as the "Board"), to seek voluntary delisting of the equity shares of the Company from The Bombay Stock Exchange Limited where the equity shares of the company are presently listed, in terms of the SEBI Delisting Regulations and other applicable provisions of law.

**"RESOLVED FURTHER THAT** the board, be and is hereby, authorizes the Company Secretary Ms. Richa Sharma and / or Chairman Mr. Dhiren D. Mehta to do all such acts, deeds, matters and things including making application to the Bombay Stock Exchange for seeking their in-principal approval and final approval for the proposed voluntary delisting of the equity shares of the company, and to execute all such deeds, documents or writings as are necessary or expedient in the matter on behalf of the Company and to settle all questions, difficulties and doubts that may arise for giving effect to the above resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) authorized representative(s) of the Company, to give effect to the resolution."

Place: Mumbai  
Date: 3<sup>rd</sup> December 2018

On behalf of the Board of Director  
Sterling Guaranty & Finance Limited

**Registered Office:**  
G-9, Duru Mahal,  
84-Marine Drive, F-Road,  
Mumbai - 400 002.

**DHIREN D. MEHTA**  
**CHAIRMAN**  
**DIN : 00036743**

**Correspondence Office**  
**91-A, Mittal Court, Nariman Point**  
**Mumbai 400021**



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**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. As per Section 105 of the Companies Act, 2013 and rules made there under, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The Instruments of proxy for use of meeting must be lodged at the Registered Office of the Company, not less than forty eight hours before the commencement of meeting.
3. Register of Members and Share Transfer Book of the Company will remain closed from the 22/12/2018 to 28/12/2018 (both days inclusive) for the purpose of Annual General Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative (s) to attend and vote on their behalf at the AGM to the Company's Registered Office.
6. Members hold shares in dematerialized form are requested to write their DP ID AND CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.
7. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participant and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company, at their given address below:

PURVA SHAREREGISTRY (INDIA) PVT. LTD.  
9 Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Lower Parel (East)  
Mumbai 400 011

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8. Equity Shares of the Company are under compulsory demat. Those shareholders, who have not dematerialized their shareholding, are advised to dematerialize the same to avoid any inconvenience in future.
9. A route map showing directions to reach the venue of the 34<sup>th</sup> AGM is given along with this Annual Report as per the requirement of the "Secretarial Standards – 2" on General Meetings.
10. Additional information pursuant to clause 49 of the listing agreement in respect of the Directors seeking appointment/ re-appointment as mentioned under items nos. 1 to 6 of this notice is appended. Further, the Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
11. Copies of all documents referred to in the notice and the statement are available for inspection at the correspondence office of the Company for convenience of the members during normal business hours on all working days up to and including the date of the annual general meeting of the Company.

The Company has been maintaining, inter alia, following statutory registers at its registered office G-9, Duru Mahal, 84-Marine Drive, F-Road, Mumbai - 400 002. They are kept open for inspection at the correspondence office in terms of the applicable provisions of Companies Act, 2013 by members.

- a. Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013, on all working days during business hours. The said Register shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
  - b. Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Companies Act, 2013 will be available for inspection on all working days during business hours.
  - c. Register of Members shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to any person attending the meeting.
12. Members are requested to immediately notify the company in case of any change in address and should specify their full address in capital letters clearly indicating the pin code of the post office.
  13. Members are requested to bring their attendance slip along with a copy of Annual Report as extra copies of Annual Report will not be supplied at the Annual General Meeting.

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14. In case members desire to raise any queries they are requested to send them at least 10 days in advance so that related information may be kept available at the meeting.
15. In accordance with provisions of Section 205A of the Companies Act, 1956 (corresponding Section 124(5) of the Companies Act, 2013), the company has transferred unclaimed dividend up to the financial year 1992-93 to the General Revenue Account of the Central Government. Members who have valid claims to the unclaimed dividends referred to above may claim the same from the Registrar of Companies, Maharashtra at Mumbai in the prescribed manner.
16. Members, who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
17. The Securities Exchange Board of India (SEBI) has mandated submission of the permanent Account Number (PAN) by every participant in securities market. Member holding shares in dematerialized form are therefore requested to submit their PAN to the Depository Participant with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the registrar and Transfer Agent of the Company, at their address given below:  
  
PURVA SHAREREGISTRY (INDIA) PVT. LTD.  
9 Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Lower Parel (East)  
Mumbai 400 011
18. In accordance with the provisions of Section 205 ( c ) of the Companies Act 1956, the company has transferred the unclaimed dividend for the year 1994-95 to the "Investor Education and Protection Fund" of the Central Government. The company has not declared dividend subsequent to the year 1994-95.

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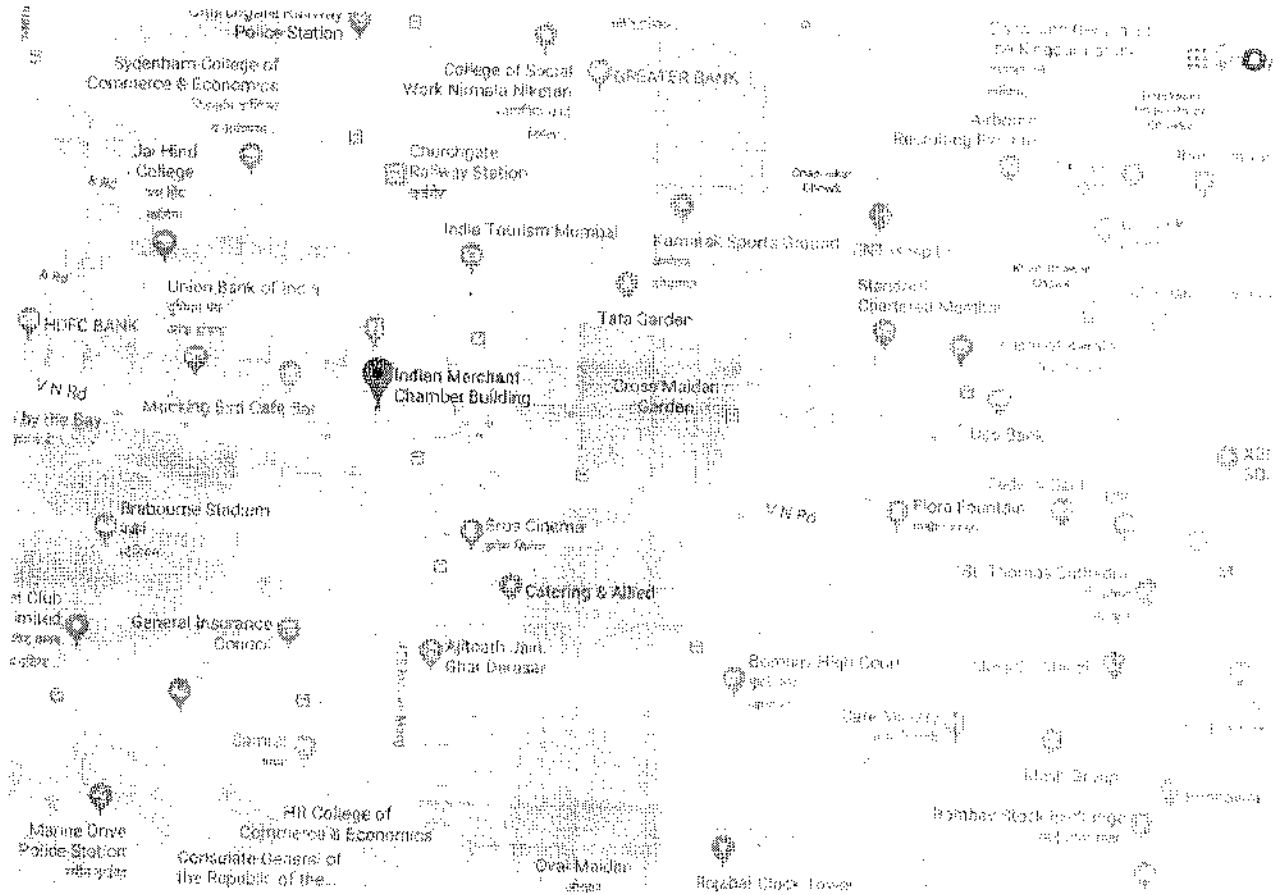
**Website: [www.sterlingguaranty.com](http://www.sterlingguaranty.com)**



# STERLING GUARANTY & FINANCE LIMITED

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Map of the AGM Venue:



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**REMOTE E-VOTING FACILITY:**

(a) In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and the provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company offers voting by electronic means through remote e-voting services provided by Central Depository Securities Limited (CDSL).

(b) Voting rights are reckoned on the basis of the shares registered in the names of the members/ beneficial owners as on the cut-off date fixed for this purpose, viz., 22<sup>nd</sup> December, 2018

(c) The Company has appointed M/s SAT & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and also the physical ballot process in the Annual General Meeting in a fair and transparent manner.

(d) The instructions for remote e-voting are as under:

- The voting period begins on 26th December 2018 at 11:00 AM and ends on 28th December 2018 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd December 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on Shareholders.
- Now Enter your User ID
- For CDSL: 16 digits beneficiary ID
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

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For Members holding shares in Demat Form and Physical Form

**PAN**

- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
  - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
  - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN
- 
- After entering these details appropriately, click on "SUBMIT" tab.
  - Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - Click on the EVSN for the relevant STERLING GUARANTY & FINANCE LIMITED on which you choose to vote.
  - On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
  - After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with

REGD. OFFICE: G9 Duru Mahal, 84 Marine Drive, F Rd, Mumbai 400002

TEL: 91-22-22840078. Email: [sterling.guaranty@gmail.com](mailto:sterling.guaranty@gmail.com)

Website: [www.sterlingguaranty.com](http://www.sterlingguaranty.com)



**STERLING**  
**GUARANTY & FINANCE LIMITED**

CIN No.: L65990MH1983PLC031384

the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

- The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.
- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Place : Mumbai  
Date : 03<sup>rd</sup> December, 2018

On behalf of the Board of Director  
Sterling Guaranty & Finance Limited

**DHIREN D. MEHTA**  
**CHAIRMAN**  
**DIN: 00036743**

**Registered Office:**  
G-9, Duru Mahal,  
84-Marine Drive, F-Road,  
Mumbai - 400 002.

**Correspondence Office**  
C/O Indistock Securities Ltd.  
91 A, Mittal Court, Nariman Point  
Mumbai 400021

**Registrar and Transfer Agent**  
PURVA SHAREREGISTRY (INDIA) PVT. LTD.  
9 Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Lower Parel (East)  
Mumbai 400 011

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**STERLING**  
**GUARANTY & FINANCE LIMITED**  
CIN No.: L65990MH1983PLC031384

**EXPLANATORY STATEMENT  
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

**Item No. 3**

- i. The Company has been promoted by Dhiren Mehta and Associates 33 years back. The Articles of Association empowers him and his associates certain powers for appointment of Directors as reflected in the present Articles of Association no. article 112 and 114. The Board of Directors recommends him to be re-appointed as Director and Chairman of the Company. He has expressed his desire to relive himself and his associates as Promoter of the Company subject to necessary approvals. Henceforth the Company will be a Board Managed Company. He and his associates propose to reduce their shareholding of the Company. Therefore consequentially the Articles of Association Articles No. 112 and 114 which gave Mr. Dhiren Mehta & Associates the powers of appointment of 4 Directors are recommended to be amended.

As per Articles of Association no. 112 Mr. Dhiren D. Mehta is a permanent Director not liable to retire by rotation. As it is proposed to amend the said article 112 and Article 114 the Board recommends to reappoint him as Director & Chairman because his expertise in the Securities Market is required by the Company for its business.

- ii. Ms. Aditi Mehta was appointed by the BOD in the meeting dated 3<sup>rd</sup> December 2018 as an Additional Woman Director, CEO and CFO of the Company. The Board of Directors recommends her reappointment in the AGM as she is also a Chartered Accountant.
- iii. The Company has received the intimation from Director Mr. Sunil Jangir on 3<sup>rd</sup> December 2018 that he is not seeking reappointment and will resign at the closure of AGM because of his preoccupation. The Company has accepted his resignation w.e.f. 28<sup>th</sup> December 2018 and acknowledges the contribution made by him to the Company.
- iv. Ms. Geeta Ashar had been an Independent Director since 2004. Now she is not seeking reappointment because of her age and personal reasons as informed to the BOD by letter dated 3<sup>rd</sup> December, 2018. The Company has accepted his resignation w.e.f. 28<sup>th</sup> December 2018 and acknowledges the contribution made by him to the Company.
- v. The Company has received intimation from a shareholder to propose Ms. Savita D. Kumawat as an Independent Director of the Company.

Ms. Savita runs her own advertising agency in Mumbai in the name of AS Production studio, specialized in print graphics, catalog shoot, Ad campaign, marketing, advertising and digital media. She has experience of running the business of her own; she is a young & growing entrepreneur having good experience of management and of managing people and finance.

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CIN No.: L65990MH1983PLC031384

**Item No. 4**

The Company has surrendered the COR of NBFC to RBI hence the name of the Company is required to change to reflect the core business of the Company.

**Item No. 5**

The Company ceases to be an NBFC and is at present carrying on the business investments and trading in Securities and dealing in stressed assets under SARFAESI Act.

Since the Present main objects of Memorandum of Association doesn't contain any explicit clause enabling the company to carry out the above activities, the Board of Directors of your Company have decided to substitute clause I A of the main objects of Memorandum of Association of the company so as to enable the company to carry on the above businesses.

Further the board of directors of your company is having adequate knowledge and experience in the above field and your company also possesses the necessary infrastructure facilities required for the above activities and the said business can also be combined advantageously with the existing business of the company.

Since the alteration of object clause of Memorandum of Association requires the approval of the shareholder the Board recommends the above resolution to be passed by the shareholders through postal ballot.

The Existing Memorandum of Association as on date along with the proposed amendments is available for inspection at the registered office of the company, on all working days (except Saturdays, Sundays and public holidays) between 11.00 am to 1.00 pm upto the date of closing of e-voting or last date of receipt of Postal Ballot Forms i.e., 27.12.2018.

The Board recommends the resolution as set out at Item No. 5 of the Notice for approval of Members as a Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are not in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

**Item No. 6**

Article 112 and Article 114 are proposed to be deleted from the Articles of Association of the Company.

The Board recommends the resolution as set out at Item No. 7 of the Notice for approval of Members as a Special Resolution.



**STERLING**  
**GUARANTY & FINANCE LIMITED**

CIN No.: L65990MH1983PLC031384

None of the Promoters, Directors, Key Managerial Personnel or their relatives are not in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

**Item No. 7**

The Company's shares are not freely tradable and kept in GSM VI category by the BSE, hence the shares have become illiquid and Company cannot raise further capital. Also, the Company finds Annual Listing Fees payable to BSE is burdensome. There is no trading in the shares of the company since year 2009.

The representation made to the BSE for removal of Company's existing Equity shares from GSM VI dt. 21/11/2018, has not yet been considered by the BSE and therefore the Board has decided to recommend to pass the resolution for voluntary delisting of the Company's Equity Shares, as it is of no benefit to the shareholders.

Place: Mumbai  
Date: 3<sup>rd</sup> December 2018

On behalf of the Board of Director  
Sterling Guaranty & Finance Limited

Registered Office:  
G-9, Duru Mahal,  
84-Marine Drive, F-Road,  
Mumbai - 400 002.

**DHIREN D. MEHTA**  
**CHAIRMAN**  
**DIN : 00036743**

Correspondence Office  
91-A, Mittal Court, Nariman Point  
Mumbai 400021

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## DIRECTORS' REPORT

The directors have pleasure in presenting before the Shareholders, the 34<sup>th</sup> Annual Report together with the Audited Financial Statement of Accounts and Auditor's Report of the Company for the year ended 31<sup>st</sup> March 2018.

### FINANCIAL RESULTS:

The Financial highlights for the year under review are given below:

(In Rupees)

Particulars	For the year ended 31.3.2018 Rs.	For the year ended 31.3.2017 Rs.
Gross Revenue	8,57,805	76,848
Profit (Loss) before Non-Cash Charges	(92,343)	(5,33,258)
Profit (Loss) before Tax	(92,343)	(5,33,258)
Provision for Taxation	Nil	Nil
<b>Net Profit (Loss) after Tax</b>	<b>(92,343)</b>	<b>(5,33,258)</b>
Balance brought forward	<b>(8,40,41,674)</b>	<b>(8,35,08,416)</b>
Profit (Loss) carried forward	<b>(8,41,34,017)</b>	<b>(8,40,41,674)</b>

Your directors are pleased to inform you that there has been turnaround of the company during the year 2017-18. The company's total income has increased by 1016.24% in year 2017-18 in comparison to 2016-17. The Company has generated revenue of Rs. 8,57,805/- in year 2017-18 in comparison to Rs. 76,848/- in year 2016-17.

### 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 2018.

### CAPITAL STRUCTURE

There have been no changes in the capital structure of the Company during the Financial Year ended 31st March 2018. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options. Current Net Worth of the company is negative Rs. 70.04 lacs only. The Company has not done any activities which can be termed as of the nature of shell company or Money laundering from Profit & loss account. The Company do not have any public deposit or public finance from Banks etc.



## RESERVES

The Company does not propose to transfer any amount to its Reserves.

## GENERAL

The Company has ceased to be an NBFC. It has suffered Net Loss of Rs 92,343/- compared to previous year loss of Rs. 533,258/-. The Company has received necessary permissions on 27-09-2018 from MCA to hold AGM on or before 31-12-2018. The core business of the company now is investments and trading in Securities and dealing in stressed assets under SARFAESI Act.

## OPERATIONS, FUTURE PLAN & CHANGE OF BUSINESS

During the year under review the company had recovered Rs. 294,353/- from past Lessee. It has earned investment income of Rs. 556,892/-. The Company has been doing all compliances. During the year no NBFI Business was carried out since Net Owned Funds (NOF) of the company has fallen below the minimum prescribed limit. Equity Shares of the Company is listed on BSE under Code No. 508963.

The company has voluntarily surrendered Certificate of Registration (COR) of NBFC to RBI on 3<sup>rd</sup> April, 2018.

The Board has decided not to pursue reduction of equity share capital in the interest of shareholders.

The company proposes to issue rights shares of Rs. 390 Lacs to the promoters. This is in interest of the public shareholders as after the rights issue the break up value of the shares which is (-0.07) will become positive 0.38. This requires BSE to remove all restrictions on trading of shares by taking it out of GSM VI, Remove restrictions on promoters holding etc. The company is in full compliance with BSE/SEBI/MCA/RBI.

Core Business of the Company is as under:

1. Financial advisory investment and trading in Securities. At present the focus is to do proprietary investment trading as the Directors have experience of the Securities Market.
2. The Company is on the lookout for buying stressed assets from banks & institutions and adding value to those assets by stabilizing their titles, business operation/Asset & Liabilities and sale them after adding value.

We have already done turnover of Rs. 35 Lacs till now in Shares & Securities. We expect to have turnover of Rs. 15 Crores in the year 2018-19.

The Company requires to have further capital and is pursuing the additional issue of shares to promoters and/or shareholders of Rs. 390 lacs as resolved in 33rd AGM. This will give the necessary capital to expand the operation of business.



## **PUBLIC DEPOSITS**

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

## **CORPORATE GOVERNANCE**

Report of Corporate Governance and a certificate from the Secretarial Auditors of the Company regarding compliance as stipulated under Clause 49 of the Listing Agreement with BSE and SEBI LODR 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 and as per Memorandum and Articles of Association of the Company.

During the year Mr. Dharmen D Mehta (Managing Director) has tendered his resignation letter dated 29/10/2018, to the board due to personal reason. The Board considered and approved his resignation from the post of Managing Director with effect from 30/10/2018. The Board places on record its gratitude for the services rendered by him during his tenure as an Independent Director of the Company.

Mr. Dhiren D Mehta has been appointed as Additional Director w.e.f. 25/10/2017.

Ms. Richa Sharma, member of Institute of Company Secretaries of India (ICSI Membership No. F-7624) has been appointed as a Company Secretary and is Compliance Officer of the Company w.e.f. 01st October, 2018.

## **INDEPENDENT DIRECTOR**

Currently, Mr. Sunil Kumar Jangir (DIN : 06653333) and Mrs. Geeta V. Ashar (DIN : 0036710) are independent Directors on the Board of the Company and Mrs. Geeta V. Ashar (DIN : 036710) is an Independent Women Director of the Company.

## **KEY MANAGERIAL PERSONNEL**

- During the year under review, the Company had appointed Mr. Dharmen D. Mehta, as Managing Director and as Key Managerial Personnel. No remuneration or fees including salary was paid to him. He has resigned w.e.f 30<sup>th</sup> October 2018. He continues to be Principal Officer under PMLA.
- None of the directors are paid any remuneration including sitting fees.
- Mr. Dhiren Mehta FCA was appointed as Executive Chairman w.e.f. 25/10/2017 and also is also CEO & CFO. He seeks reappointment as he was appointed as Additional Director.
- Company Secretary Ms. Richa Sharma is a KMP looking after compliance.

**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 is disqualified.

**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 22<sup>nd</sup> May 2017, 29<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 05<sup>th</sup> September 2017, 25<sup>th</sup> October 2017, 07<sup>th</sup> February 2017, and 26<sup>th</sup> March 2018 The details of composition of the Board of Directors and director's attendance are as under:

Name of the Director(s)	No. of Board Meeting(s) attended
Mr. Dharmen D. Mehta	7
Mr. Sunil Kumar Jangir	7
Mrs. Geeta V. Ashar	7
Mr. Dhiren Mehta	3

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.

**AUDIT COMMITTEE**

In compliance with the provisions of Section 177 of the Companies Act, 2013 and relevant rules made thereunder, the Audit Committee is constituted by the board of director. It comprised of independent director namely Mrs. Geeta V. Ashar and Mr. Sunil Kumar Jangir and Mr. Dharmen Mehta and Mr. Dhiren Mehta Chairman & Managing Director. 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. Five meetings were held during the year on 29<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 01<sup>st</sup> September 2017, 25<sup>th</sup> October 2017 and 07<sup>th</sup> February 2018.

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	2
Mr. Dharmen Mehta	Managing Director	4
Mr. Sunil Kumar Jangir	Member	5
Mrs. Geeta V. Ashar	Member	5

**NOMINATION AND REMUNERATION COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and relevant rules made thereunder, the committee was constituted comprising of Executive Chairman and non-executive directors without any remuneration. The non-executive directors do not draw any remuneration from the Company.



## **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 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 BOD 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 OF 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.

## **SHAREHOLDER REFERENCES**

As per SEBI circular, KYC has been asked from shareholders through RTA M/s. Purva Sharegistry (India) Private Limited by first initial letter dated 29<sup>th</sup> September, 2018. Out of 65,37,600 no. of shareholding 8,30,327 returned unserved. Later, First reminder was sent through RTA on 30<sup>th</sup> October, 2018 and Second reminder was sent on 30<sup>th</sup> November, 2018. KYC is updated for 2,48,451 shares as per the RTA Report dt. 12<sup>th</sup> November, 2018. The Promoter's shareholding of 3117806 which is 47.69% of total shareholding is 100% demated.



## **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 2017-18.

## **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, 2018 is Annexed to this Report as an Annexure –I and forms part of this Report.

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

M/s. J.H Bhandari & Co. Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by shareholders for the Financial Year 2018-19

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 May 29, 2018 has approved the appointment of Ms. Aditi Parth Ingreji (M. No. 113426), Chartered Accountant as the Internal Auditor of the Company for the financial year 2018-2019 and 2019-20 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 of the Company at its





meeting has approved the appointment of M/s. SAT & Associates, Company Secretaries in practice, Proprietor Sunil Thakur (ACS: 24713/CP: 11978), as the Secretarial Auditor of the Company for the financial year 2017-18 to conduct secretarial audit of the Company. Their report dated 26<sup>th</sup> November, 2018 is attached herewith.

#### **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 to 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 observation, Comments, in their report dated 26<sup>th</sup> November, 2018 are self explanatory. The company is a going concern and have increased its operations substantially in 2018-19

#### **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, 2018, 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, 2018 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 and that such internal financial controls are adequate and were operating effectively;
- vi. Your Director had advised the Company could not have full time Company Secretary in view of the financial conditions in spite of best efforts.



## **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 of 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, key managerial personnel 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

### **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	
(iii)	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, 2018. 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	

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

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

**PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO**

	March 31, 2018	March 31, 2017
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil



**PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

**PROMOTERS**

Mr. Dhiren D. Mehta & Associates had promoted this Company 30+ years back. Mr. Dhiren Mehta has expressed his desire to release himself as promoter of the Company because of his age (67 Years) and health. Consequent that to the powers of the promoters incorporated in the Articles of Association no. 112 and 114 regarding appointment of Directors have been withdrawn by amending the said articles. The Company will now become Board Managed Company. This is subject to the approvals required from the concerned authorities.

**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: 03<sup>rd</sup> December, 2018

  
**DHIREN MEHTA**  
**CHAIRMAN**



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW:

The Company has suffered small loss of Rs. 0.92 lacs for the financial year ended March 31, 2018 compared to loss of Rs. 5.33 lacs in the previous year. The accumulated loss is Rs. 841.34 lacs compared to share holders' funds of Rs.722.88 lacs. The Company has negative Net worth as on March 31, 2018 of Rs.70.04 lacs. The Company needs further capital infusion. It proposes to place equity shares of Rs. 390 lacs to Promoters.

### RESOURCES AND LIQUIDITY:

The Company has not accepted any fixed deposits from the public during the year 2016-2017 and there are no outstanding liabilities to banks or depositors. The company has borrowed interest free Inter Corporate Deposit from Sterling Investments (India) Ltd., outstanding amount payable as on 31-03-2018 is Rs. 70.40 lacs.

### 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. As stated earlier the Company has surrendered COR of NBFC to RBI.

### OPPORTUNITIES:

There is substantial opportunity of taking advantage of Stock Market volatility, arbitrage between cash & future in Shares & Securities and dealing in Stressed Assets.

### CHALLENGES:

The Financial sector continues to face competitive pressures from the banking sector and financial institutions, due to their increased penetration in the Securities market, with comparatively low cost of funds at their disposal.

### OUTLOOK:

The Company is becoming active in its operations with proposed infusion of Equity Capital of Rs. 390 Lacs. The Company is hopeful of bright future.

### 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.

## **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, 2018.

### **1) COMPANY'S PHYLOSOPHY OF CORPORATE GOVERNANCE**

#### **A – Details about compliance of LODR :-**

- Regulation 6(1) Appointment of qualified company secretary as the compliance officer:  
New Company Secretary & Compliance Officer appointed w.e.f. 01-10-2018 & was reported to BSE on 05-01-2018 Ms Richa Sharma (FCS No. F-7624) is Company Secretary earlier. Earlier Mrs. Geeta Ashar, Director was Compliance Officer.
- Regulation 7(1) Appointment of share transfer agent :  
Purva Sharegistry (I) Pvt. Ltd. (SEBI Regn. No. INR000001112 ) is appointed as RTA on 05-05-2017.
- Regulation 13(1) expeditious redressal of investor complaints:  
Statement of Investor complaints submitted to BSE is as follows:  

First Quarter 30 <sup>th</sup> Jun 2017	Submitted on 06-07-2017
Second Quarter 30 <sup>th</sup> Sept 2017	Submitted on 09-10-2017
Third Quarter 31 <sup>st</sup> Dec 2017	Submitted on 09-01-2018
Fourth Quarter 31 <sup>st</sup> Mar 2018	Submitted on 16-04-2018

There is no pending compliant under SCORES of SEBI as on date
- Regulation 17(1) composition of the Board to appoint woman director:  
Woman director Mrs. Geeta V. Ashar was appointed w.e.f 14-12-2004. She is not liable to retire by rotation.
- Regulation 27(2) and 15(2) of LODR 2015 Corporate governance:  
Corporate Governance is not applicable to the Companies as per Reg. 15(2) of LODR 2015. Company has submitted the Non Applicability Certificate stating Net worth and Paid up Equity Capital is below the limit. Details of Certificates filed with BSE are as under :  

First Quarter 30 <sup>th</sup> Jun 2017	Submitted on 06-07-2017
Second Quarter 30 <sup>th</sup> Sept 2017	Submitted on 09-10-2017
Third Quarter 31 <sup>st</sup> Dec 2017	Submitted on 09-01-2018
Fourth Quarter 31 <sup>st</sup> Mar 2018	Submitted on 09-04-2018
- Regulation 29(2)/ 29(3) Intimation about the meeting of the Board of directors and intimation of the closure of trading window was made to BSE as follow:-

Dates of Board Meeting	Intimation to BSE	Intimation for closure of trading window
29-05-2017	23-05-2017	-
14-08-2017	04-08-2017	07-08-2017
05-09-2017	28-08-2017	29-08-2017
25-10-2017	17-10-2017	17-10-2017
07-02-2018	31-01-2018	31-01-2018
26-03-2018	23-03-2018	23-03-2018

- Regulation 31 submission of share holding pattern:  
Details of submission of Shareholding pattern to BSE are as follows:  

First Quarter 30 <sup>th</sup> Jun 2017	Submitted on 12-07-2017
Second Quarter 30 <sup>th</sup> Sept 2017	Submitted on 12-10-2017
Third Quarter 31 <sup>st</sup> Dec 2017	Submitted on 18-01-2018
Fourth Quarter 31 <sup>st</sup> Mar 2018	Submitted on 18-04-2018
- Regulation 33 Submission of financial results:  
Details of submission of financial results to BSE are as follows:  

First Quarter 30 <sup>th</sup> Jun 2017	14-08-2017
Second Quarter 30 <sup>th</sup> Sept 2017	25-10-2017
Third Quarter 31 <sup>st</sup> Dec 2017	07-02-2018
Fourth Quarter 31 <sup>st</sup> Mar 2018	29-05-2018
- Regulation 34 submission of Annual Report:  
For the year 2017-18 ROC has granted extension on 27/09/2018 for holding AGM till 31/12/2018, Hence Annual Reports will be submitted after approval in AGM scheduled on Friday, 28/12/2018.
- Regulation 39(3) submission of details of Loss of share certificates & issue of duplicate shares:  
There was only one instance as per letter submitted to BSE on 25/04/2018 for issue of duplicate share certificate.
- Regulation 46 functional website:  
[www.sterlingguaranty.com](http://www.sterlingguaranty.com) is functional website and required informations as per LODR are uploaded by the service provider.

## **B – Philosophy of Corporate Governance:**

The philosophy of the Company represents the value frame work, rules, practices by which Sterling conducts its business activities. It essentially involves balancing the interests of stakeholders in a company which include its shareholders, management, customers, government, lenders, creditors, and employees. The Company has a strong legacy of last 33 years of fair, transparent and ethical governance practices.

The Company has also adopted a Code of Conduct for its employees including the Managing Director and has adopted a Code of conduct for its non-executive directors including for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). Your Company is in compliance with Listing Agreement with BSE and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 aligned with Companies Act, 2013 as confirmed by BSE on 19/03/2018.

The Company wanted to do reduction of present Equity Capital and then issue Rights Capital of Rs. 390 Lacs. However BOD has in their meeting dated 26/03/2018 deferred them as the Company's Equity shares are kept by BSE in GSM VI making them practically illiquid. In the interest of 14000+ shareholders the matter is taken with BSE/SEBI. The Company's shares are not suspended by BSE. The company has complied in all material respect the requirements of Corporate Governance in terms of clause 49 of the Listing Agreements of BSE. BOD has dropped the idea of Reduction of capital in the interest of Public shareholders, though it was approved in 33<sup>rd</sup> AGM.

## GOVERNANCE STRUCTURE

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

- a) Board of Director: The BOD 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 of Directors viz, Audit Committee Regulation 18(1), Share transfer and Investor Relations Committee (Stakeholder relationship committee Regulation 20(2)/13(1) expeditious redressal of investor complaints, Nomination & Remuneration Committee Regulation 19(1) / 19(2) w.e.f. 01/10/2018 of Directors and Risk Management Committee. Each of the said committee has been mandated to operate within a given framework.

### 2) BOARD OF DIRECTORS

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

The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013 read with Rules made there under.

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 two Non-Executive Directors are Independent Directors. The Chairman of the Board is Mr. Dhiren Mehta FCA who also act as CFO and CEO. 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 period from 01/04/2017 to this date are as follow:

Name of the Director & Designation	Executive/ Non-executive/Independent	No. of Board Meetings held and attended	Attendance at the last AGM on 30 <sup>th</sup> September 2016	Directorships in other Companies incorporated in India	No. of other Board Committees of which Member/Chairman
Mr. Dhiren D. Mehta (Chairman & CEO & CFO)	Executive chairman without Remuneration From 24/10/2017 till present	5	Yes	1) Indistock Securities Ltd. 2) Fixed Income Brokers Associations 3) Sterling Investments (India) Ltd. 4) Computron Systems Pvt. Ltd.	1) Audit Committee 2) Nomination & Remuneration Committee From 24/10/2017



Mr. Dharmen D. Mehta Managing Director & CEO & CFO)	Managing Director, CEO and CFO from 16/05/2016 till 29/10/2018 without Remuneration	10	Yes	1) Indistock Financial Services Pvt. Ltd. 2) Fixed Income Brokers Association 3) GI Power Corporation Ltd.	1) Audit Committee 2) Nomination & Remuneration Committee Till 29/10/2018
Mrs. Geeta V. Ashar	Non-Executive Independent Director	10	Yes	NIL	1) Audit Committee 2) Share Transfer & Investor Relations Committee 3) Nomination & Remuneration Committee w.e.f. 29/10/2018
Mr. Sunil Kumar Jangir	Non-Executive Independent Director	10	Yes	Fixed Income Brokers Association	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 hold the office of Director in more than 15 Companies or are members of Committees of the Board in more than 10 Committees or held Chairmanship of more than 5 Committees across all Companies.
3. For Audit Committee and the Share transfer and Investor Relations Committee only Indian public limited companies have been considered.
4. None of the directors other than Dharmen D. Mehta who is son of the Chairman Mr. Dhiren D. Mehta who was Director from 16/05/2017 to 29/10/2018 are related to other Director, or to any other employee of the company.
5. The BOD has establish procedure to enable the BOD to periodically review compliance reports of all as applicable to the Company as well as steps taken by the Company to rectify instances to non-compliance.

**B) Board Meetings:**

Board Meetings are conducted in accordance with the Rules, made under the Companies Act, 2013 and as per requirements of Listing Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors meet at regular intervals to discuss and decide on business strategies/ policies Risk Management and review the financial performance of the Company.

The Directors have agreed to disclose to the Company about the committee positions if they occupy in other companies. The important decisions taken on Board/Board Committee Meetings are communicated to the concerned department.

#### **Details of Board Meetings**

Ten Board Meetings were held during the year ended 31<sup>st</sup> March 2018, 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 22<sup>nd</sup> May 2017, 29<sup>th</sup> May 2017 14<sup>th</sup> August 2017, 5<sup>th</sup> September 2017, 25<sup>th</sup> October 2017, 7<sup>th</sup> February 2018, 26<sup>th</sup> March 2018. Attendance of Directors at the board meeting and at the last Annual General Meeting is as given above.

#### **C) 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.

#### **D) Independent Directors**

i. 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 them as a director of the company. It also explained in detail the compliance required from them under Companies Act, 2013, Clause 49 of the listing agreement and other relevant regulations.

#### **ii. Meetings of Independent Directors.**

The Meeting of Independent Directors was held on Tuesday, 19 December, 2017.

a) It reviewed the performance of non – Independent Directors and the Board of Directors as a whole:

b) It reviewed of performance of the Executive Chairman;

c) They were given access to all required access which are necessary for the Board of Directors to effectively and reasonably perform their duties.

d) The Board also carried out evaluation of its various Committees and the Directors expressed their satisfaction with the evaluation process.

#### **E) Criteria for performance evaluation.**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of all Directors. The annual evaluation of Directors is made on the following criteria. None of the directors are paid any remuneration.

- i. Attendance for the meetings and participation during the Meetings
- ii. Interaction with the Company's management team;
- iii. Area of expertise; and
- iv. Knowledge and proficiency in various subjects.

**F) Familiarization program for Independent Directors**

At the time of induction the Independent Directors induction are given briefing. Wherein the appointee is familiarized with the Company, his/her roles, rights and responsibilities in the Company, the Code of Conduct of the Company to be adhered, nature of the financial services business. All relevant Information are given to them on regular basis concerning the areas of operation of the Company. For details refer to our website at [www.sterlingguaranty.com](http://www.sterlingguaranty.com)

**G) Code of Conduct**

In compliance with Listing Regulation 26 (3) of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted the code of conduct and ethics.

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 Key Management persons of the Company. The Code of Conduct is displayed on the website of the company viz. [www.sterlingguaranty.com](http://www.sterlingguaranty.com) All the Board Members and senior management personnel have affirmed compliance with the code of conduct.

**H) Whistle Blower Policy:**

The necessary steps are 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 Whistle Blower Policy provide adequate safeguards against victimization of director(s) / employee(s) who avail mechanism and provides direct access to the Chairman of the Audit Committee in case required.

**I) Information supplied to the Board:**

1. Annual operating plans and budget, capital budgets, updates
2. Quarterly results of the Company.
3. Minutes of meetings of Committees.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services

The Board is presented with detailed notes along with agenda papers.

**J) Directors with materially pecuniary or business relationship with the Company**

There has been no materially relevant pecuniary transaction or relationship between the Company and its non -executive and /or independent Directors for the period under report.

**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 2018.

**For Sterling Guaranty & Finance Limited**

**Mr. Dhiren D. Mehta**  
**Executive Chairman**  
**Date: 03-12-2018**

• **COMMITTEES OF BOARD**

**3) Audit Committee:**

**a) 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 representatives of the Statutory Auditor and the Internal Auditor were invited and attended the meetings of the Audit Committee.

**b) Composition of Audit Committee**

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.

During the Financial Year under review, four meetings of the Committee were held on 29<sup>th</sup> May 2017, 14<sup>th</sup> August, 2018, 1<sup>st</sup> September 2017, 25<sup>nd</sup> October 2017 and 7<sup>th</sup> February 2018.

The record of attendance of each member of the Committee in the year 2017-2018 is given below:

Name of Director	Position	No. of meetings attended
Geeta Ashar	Chairperson	5
Sunil Kumar Jangir	Secretary	5
Dharmen D. Mehta	Member	5

**c) Term of Reference:**

The terms of reference of the Audit Committee include the matters specified under Regulation 18 of the Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and Regulations.

Some of these are listed as under:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the Financial statements and auditor's report thereon;
- iv. Approval or any subsequent modification of transactions of the Company with related parties;
- v. Scrutiny of inter corporate loans and investments ;
- vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Reviewing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;

- ix. Reviewing with management, the annual financial statements before submission to the Board;
- x. Reviewing with the management, external auditors and internal auditor, the adequacy of internal control systems;
- xi. Discussing with internal auditor any significant finding and follow up on such issues;
- xii. Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any areas of concern ;
- xiii. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;
- xiv. Reviewing details of related party transactions exceeding 1% of last year's turnover;
- xv. Reviewing the Company's financial and risk management policies;
- xvi. Quarterly Statement of deviation to be submitted to stock exchange(s) in terms of Regulation 32(1).

**d) Powers of Audit Committee**

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employees.
- c. To obtain outside legal or other professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**4) Nomination and Remuneration Committee:**

**a) Composition**

The Nomination and Remuneration Committee comprises of one Executive and two Non Executive Directors, majority of whom are independent. The composition is in conformity with the Companies Act, 2013 and the Regulations.

During the Financial Year under review, one meeting of the Committee was held on 12<sup>th</sup> August 2017.

The Composition of the Committee and attendance at its meeting is given below;

Sr No.	Name of the Member	Category	Number of Meetings Attended
1.	Mr. Dharmen D. Mehta	Executive Director	1
2.	Mrs. Geeta V.. Ashar	Independent Director	1
3.	Mr. Sunil Kumar Jangir	Independent Director	1
4.	Mr. Dhiren D. Mehta	Additional Director	Nil

The Nomination Committee ensures fit and proper status of existing directors.

Mr. Dhiren Mehta is FCA (Membership No. 16092) and LLB and having experience of more than 25 years in the financial industry and is president of FIBA (Fixed Income Brokers Association). The other Director Ms. Geeta Ashar is B.Com and having financial services experience of 25 years and Director Mr. Sunil Jangir is B.COM & MBA and having experience of more than 10 years in the financial services. The Nomination and Remuneration Committee is constituted under section 178 of the Companies Act, 2013 and have found the above mentioned existing directors fit and proper and they have been directors from last 35 years (Mr. Dhiren Mehta), 14 years (Ms. Geeta Ashar), 5 years (Mr. Sunil Jangir).

b) **Terms of reference:**

The terms and reference of the Nomination Remuneration Committee include the matters specified under Regulation 19 of the SEBI (Listing Obligations and Requirements) Regulations, 2015 as well as as those in Section 178 of the Companies Act 2013 and inter alia include the following

- i. Formulate the criteria for determining qualifications , positive attributes and independence of the Director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key managerial and Senior Management position in accordance with the criteria laid down in this Policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel

c) **Remuneration to Directors / Key Managerial Personnel**

The Executive Chairman and M.D. were appointed without any remuneration. The non-executive directors do not draw any remuneration from the Company. There is no pecuniary relationship or transaction of the Company with its Non-executive/ Independent Directors.

5) **Share Transfer and Investor Relationship Committee:**

It is constituted in line with the provisions of Listing Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 read with Section 178 of the Companies Act, 2013.

The Stake Holder's Relationship Committee has been constituted to look into investor's complaints like transfer/transmission of shares, issue of duplicate certificates/ new certificate on split /consolidation/renewal etc., non-receipt of Balance Sheet etc. and redressal thereof. The Committee consists of Mrs. Geeta V. Ashar and Mr. Sunil Kumar Jangir both being Independent Directors.

During the Financial Year under review 4 (Four) Stakeholder's Relationship Committee Meetings were held. The Present Committee members attended the said Meeting.

Mrs. Geeta Ashar is the Compliance Officer till 30<sup>th</sup> Sept. 2018 and thereafter Ms. Rich Sharma (FCS – F-7624) Company Secretary.

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 Compliance Officer can be contacted at

**Correspondence Office:**  
**Sterling Guarantee & Finance Limited**  
91- A Mittal Court  
Nariman Point  
Mumbai – 400021

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

Company has redressed all the complaints received during the year ended 31<sup>st</sup> March, 2018. The Company confirms that as on 31<sup>st</sup> March, 2018, 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.

#### **6) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee of the board has been constituted in the manner prescribed in Listing Regulation 21 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company has formulated Risk Management Policy to identify and then manage threats/ risks that could have impact on the goals and objectives of the Company. Considering the requirements of the Companies Act, 2013 Risk Management Committee was formed to identify monitor and minimize risks as also to identify business opportunities. Within the framework of the Risk Management Policy, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises of Mr. Sunil Kumar Jangir – Independent Director, Mrs. Geeta V. Ashar – Independent Director, and Mr. Dhiren D. Mehta – Executive Chairman. No meeting of the Committee was held during the year; however Risk Management was discussed in Board meetings.

#### **7) GENERAL BODY MEETINGS**

The 33rd Annual General Meeting for the year ended 31<sup>st</sup> March 2017 was held at office of Indistock Securities Ltd. 91 A Mittal Court, Nariman Point Mumbai –400021 on Friday, 29<sup>th</sup> September 2017 at 11.00 a.m.

The 32nd Annual General Meeting for the year ended 31<sup>st</sup> March 2016 was held at office of Indistock Securities Ltd. 91 A Mittal Court, Nariman Point Mumbai –400021 on Friday, 30<sup>th</sup> September 2016 at 11.00 a.m.

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.

There was no Extra Ordinary General Meeting held during F.Y. 2017-18.

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.

## 8) SUBSIDIARY COMPANIES:

The Company does not have any subsidiary company.

## 9) PREVENTION OF INSIDER TRADING

To comply with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code of internal procedures for prevention of any unauthorized trading in the shares of the Company by the insiders.

## 10) SECRETARIAL AUDIT

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted Equity Share Capital with National Securities Depository Limited and the central Depository Services Limited and the Total issued and Listed Equity Share Capital. The Secretarial Audit Report confirms that the total Issued/Paid up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized share held with NSDL and CDSL. Promoters shareholding is fully dematerialized till date.

## 11) DISCLOSURES:

### 1. Mandatory Requirements

#### 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. Sterling Investments (India) Ltd has given interest free advances to the Company over the years of Rs. 70.40 lacs as at 31/03/2018. Out of this Rs. 65 lacs has been agreed to be converted in to New Equity shares as and when the Company make New Equity Rights Issue.

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. Details of capital market non Compliance if any**

There have been no instances of non-compliances by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchange, the Securities Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, save as discussed elsewhere in the Annual Report.

**D. Related Party Transactions Policy**

As required under Regulations 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at [www.sterlingguarantee.com](http://www.sterlingguarantee.com).

**E. Disclosure by Management to the Board**

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussions nor do they vote on such matters.

**2. Non Mandatory Requirements**

**The extent of adoption of non-mandatory requirements is as follows:**

**a. Shareholders' Rights**

Since the Company publishes its quarterly results (in newspapers (English and Marathi) having wide circulation, and since the results are also displayed) on the website of the Company and the Stock Exchanges, the Company does not send any communication of half yearly performance to the shareholders. Further, the Company publishes the extracts of results in Newspapers having wide circulations.

**b. Statutory Auditors' qualifications**

There are no qualifications on the Financial Statements of the Company for the year ended 31st March, 2018, made by the Statutory Auditors in their Audit Report.

**12) 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.

**Website and Newspaper**

Incompliance with the provisions of the Listing Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes,

Annual Report, Quarterly/Half Yearly/Nine-months and Annual Financial results along with the applicable policies of the Company are available on the Company's website

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 CORRESPONDENCE:

Registered Office :  
G-9, Duru Mahal  
84, Marine Drive  
Mumbai - 400 002

Correspondence Office :  
C/O Indistock Securities Ltd.  
91-A, Mittal Court  
Mumbai - 400 021

The Management's Discussion & Analysis Report for the year ended 31<sup>st</sup> March, 2018 forms part of this Annual Report.

#### **Stock Exchange**

The Company makes timely disclosures of necessary information to BSE Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

#### **Reminder to Investors**

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividends and transfer of shares thereto, email registration, are regularly communicated and dispatched.

The information is also made available to the investors on the company website: [www.sterlingguaranty.com](http://www.sterlingguaranty.com).

#### **13) SHARE TRANSFER SYSTEM**

The Shares of the Company, being in the compulsory demat list, are transferable through the Depository System. Shares in physical & Dematerialized form are processed through M/s. Purva Sharegistry Private Limited, Mumbai. Shares lodged for transfer at the Registrar's address are normally processed and approved by the Share transfer and Investor Relation Committee on fortnight basis. All requests for dematerialization of Shares are processed and the confirmation is given to the Depositories within 15 days. Grievance received from members & other miscellaneous correspondence on change of address etc. is processed by the Registrar within 30 days.

Further, SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialized shares held by them in physical form.

#### **14) Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents.

#### **15) Income Tax Pan Mandatory for Transfer of Securities**

As per Regulation 40(7) read with Schedule VII of the Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy their PAN card to list identity for registration of transfer of securities.

#### **16) Dematerialization of Shares**

As on 31<sup>st</sup> March, 2018, 48.73% i.e. 31,85,952 Equity Share of the Company share capital are dematerialized and balance 51.27% i.e. 33,51,648 Equity Shares is held in physical form, In order to facilitate the investors to have an easy access to demat system, the Company has joined with both depositories viz. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Company's Registrar & Share transfer Agent, M/s. Purva Shareregistry (India) Private Limited, Mumbai. Promoters shares are demated to the extent of 97.75% as required under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

#### **17) GENERAL SHAREHOLDER INFORMATION**

##### **1) Annual General Meeting**

- |   |   |
|---|---|
| Date & Time   | : 28 <sup>th</sup> December, 2018.  |
| Venue   | : Office of Indistok Securities Ltd 91 A, Mittal Court, Nariman Point, Mumbai - 400021. |
| Dates of book closure notified                            | : 21/12/2018 to 28/12/2018.   |
| Dividend Payment Date                                     | : No Dividend recommended   |
| • Financial Calendar<br>(Period April 2017 to March 2018) | : Date filed with BSE   |
| First Quarter Results                                     | : 14 <sup>th</sup> August, 2017   |
| Second Quarter & Half Year Results                        | : 25 <sup>th</sup> October, 2018  |
| Third Quarter Results                                     | : 07 <sup>th</sup> February, 2018   |
| Results for the year ending 31-03-2018                    | : 19 <sup>th</sup> May, 2018  |
| Annual General Meeting                                    | : 28 <sup>th</sup> December, 2018   |
| • Stock Exchanges where Company's<br>Shares are listed    | : Bombay Stock Exchange,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai-400023.  |
| Scrip Code  | : 508963 – BSE  |
| • Demat ISIN in NSDL and CDSL                             | : INE668Y01016  |
| • Corporate Identity Number                               | : L65990MH1983PLC031384   |

## 2) Listing Fees

The annual listing fees for the year under review have been paid to the Stock Exchanges, where your Company's shares are listed.

Save and except as disclosed elsewhere in the Annual Report, your Company has complied with all requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard.

## 3) Distribution of Shareholding as at 31<sup>st</sup> March, 2018 as per RTA

No. of Shares held		Shareholders		Share Amount	
No.	No.	Number	% of total	(in Rs.)	% to Total
Upto	5000	14,254	95.20	1,96,66,930	30.08
5001	10000	449	3.00	34,42,720	5.27
10001	20000	167	1.12	24,34,910	3.72
20001	30000	49	0.33	12,15,220	1.86
30001	40000	11	0.07	3,95,630	0.61
40001	50000	5	0.03	2,33,430	0.36
50001	100000	13	0.09	8,78,730	1.34
100001	and above	25	0.17	3,71,08,430	56.76
<b>Total</b>		<b>14,973</b>	<b>100.00</b>	<b>6,53,76,000</b>	<b>100.00</b>

## 4) Distribution of shareholding according to categories of shareholders as at 31<sup>st</sup> March, 2018

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	7	31,17,806	47.69
2.	Foreign	0	0	0.00
	Sub Total	7	31,17,806	47.69
(B)	<b>Public Shareholding</b>			
1.	Institution	3	63,500	0.97
2.	Non Institution	14963	33,56,294	51.34
	Sub Total	14973	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
	<b>Grand Total A+ B + C</b>	<b>14973</b>	<b>65,37,600</b>	<b>100.00</b>

5) **Stock Market price data at BSE** : High / Low during each month for the period 2017-2018 at BSE is not given as no transaction has taken place at BSE as per information available on BSE Website [www.bseindia.com](http://www.bseindia.com).

**6) 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.

**7) Registrars and Transfer Agents :**

The work of Register and Transfer Agent is as follow :

Purva Sharegistry (India) Pvt. Ltd.  
 9 Shiv Shakti Industrial Estate,  
 J. R. Boricha Marg,  
 Near Lodha Execelus,  
 Lower Parel East,  
 Mumbai-400 011.  
 Email : [support@purvashare.com](mailto:support@purvashare.com)  
 Telephone No. 022-23018261/23016761  
 Website : [www.purvashare.com](http://www.purvashare.com)

**8) Compliance Officer**

Mrs. Geeta V.Ashar was Honorary Compliance Officer for complying the requirements of Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.w.e.f. 01<sup>st</sup> October 2018 Ms. Richa Sharma, Company Secretary (FCA-F-7624) is the Compliance Officer.

Number and nature of complaints received and redressed during the year 2017-18

Nature of Complaints	No of complaints		No of pending complaints as on 31 <sup>st</sup> March, 2018 As per SCORES of SEBI
	received	redressed	
Non-receipt of shares lodged for transfer/ transmission	NIL	NIL	NIL
Non-receipt of annual report	1	1	NIL
Change of Address	NIL	NIL	NIL
SEBI/MCA	NIL	NIL	NIL
BSE/NSE	NIL	NIL	NIL
NSDL/CDSL	NIL	NIL	NIL

## **18) Shareholder References**

### **a ) Permanent Account Number (PAN)**

Shareholders holding shares in the physical form are informed that as per SEBI's Guidelines, it is mandatory to furnish copy of PAN Card in the following cases:

- i. Transferees' PAN Cards for transfer of shares,
- ii. Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- iii. Legal heirs' PAN Cards for transmission of shares,
- iv. Joint holders' PAN Cards for transposition of shares

### **(b) Email Address**

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / R & T Agent (with Depository Participants in case of shares held in dematerialized form). In any case the shareholders are requested to kindly confirm proof of your valid address.

### **(c) Dematerialization of shares**

Shareholders are requested to dematerialize their physical share holdings through any of the nearest Depository Participants (DPs) in order to avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s), and to ensure safe and speedy transaction in securities.

### **(d) Register Your National Electronic Clearing Services (NECS) Mandate**

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Shareholders holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's R & T Agent viz. Link Intime India Private Limited.

### **( e ) Address for correspondence**

Shareholders' correspondence should be addressed to Purva Sharegistry (India) Pvt. Ltd, Registrar and Share Transfer Agent, at the address mentioned above. Shareholders can also email their queries / grievances to the following email address: [sterlingguarantee@gmail.com](mailto:sterlingguarantee@gmail.com).

## **19) REPORT ON CORPORATE GOVERNANCE:**

The Corporate Governance Report forms part of the Annual Report.

## **20) CORPORATE SOCIAL RESPONSIBILITY**

The Company has incurred loss in the last three financial years. Therefore the Company has no CSR in terms of Section 135 of the Companies Act 2013 Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014.

## **21) 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.

**CAUTIONARY STATEMENT**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For & On behalf of the Board of Directors

Place: Mumbai  
Date: 03-12-2018

  
**Dhiren D. Mehta**  
**Executive Chairman**

**CEO/ CFO Certification:**

Mr. Dharmen D. Mehta, Managing Director was CEO & CFO for the period from 16/07/2016 to 29/10/2018. And Mr. Dhiren D. Mehta, Chairman of the Company. They 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  
Chairman

  
Mr. Dharmen D. Mehta  
Managing Director

Place: Mumbai  
Date: 29/05/2018



## ANNEXURE- III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

## I. REGISTRATION &amp; 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
8.	Correspondence Office	C/O Indistock Securities Ltd. 91 A, Mittal Court, Nariman Point, Mumbai – 400021

## 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
	Financial Recoveries	6491	100

\*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. 2016-17.

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.



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) FII's	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	62,700	800	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	0	0	0	0	0	0	0	0	0.00
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)	0	0	0	0	0	0	0	0	0.00
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
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	34,19,794	34,19,794	52.31	0	34,19,794	34,19,794	52.31	0.00

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>65,37,600</b>	<b>65,37,600</b>	<b>100.00</b>	<b>0</b>	<b>65,37,600</b>	<b>65,37,600</b>	<b>100.00</b>	<b>0.00</b>

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 pledge / encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares*	
1	DHIREN DHIRAJLAL MEHTA	9,14,401	13.99	0.00	9,14,401	13.99	0.00	0.00
2	MEENA DHIREN MEHTA	1,74,370	2.67	0.00	1,74,370	2.67	0.00	0.00
3	DHARMEN DHIREN MEHTA	3,113	0.05	0.00	3,113	0.05	0.00	0.00
4	ADITI DHIREN MEHTA	500	0.01	0.00	500	0.01	0.00	0.00
5	COMPUTRON SYSTEMS PVT LTD	1,50,000	2.29	0.00	1,50,000	2.29	0.00	0.00
6	STERLING INVESTMENTS (INDIA) LTD.	10,47,872	16.03	0.00	10,47,872	16.03	0.00	0.00
7	INDISTOCK SECURITIES LTD.	8,27,550	12.66	0.00	8,27,550	12.66	0.00	0.00
<b>TOTAL</b>		<b>31,17,806</b>	<b>47.69</b>		<b>31,17,806</b>	<b>47.69</b>	<b>0.00</b>	

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

SN	Particulars	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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 01-04-2016 and 31-3-2017. There were no inter Transfer among Promoters during F.Y. 2016-17.

**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		Date	Increase or Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		Number of shares	% of total shares of the company				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	Nirmal Bagri	71,700	1.10		Nil		71,700	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

**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.	DHARMENDHIREN MEHTA Managing Director	3,113	0.05	3,113	0.05
	At the beginning of the year	9,14,401	13.99	9,14,401	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	9,14,401	13.99	9,14,401	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	Nil	Nil	Nil	Nil

	/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	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	69,15,000	Nil	69,15,000
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	69,15,000	Nil	69,15,000
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	6,00,000	Nil	6,00,000
Reduction	Nil	4,75,000	Nil	4,75,000
<b>Net Change</b>	Nil	1,25,000	Nil	1,25,000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	70,40,000	Nil	70,40,000
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	70,40,000	Nil	70,40,000

\* 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. Dharmen Mehta CMD.	
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 section 17(3) Income- tax Act, 1961	Nil	Nil
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
		Mr. Sunil Kumar Jangir	Mrs. Geeta V. Ashar-	
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	Nil	Nil	Nil	Nil

	Act, 1961				
	(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 2017

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

Place :

Date :

For and on behalf of the Board of Directors

D.D. Mehta  
Chairman  
Din : 00036743



**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**Secretarial Audit Report  
For the Financial Year ended March 31, 2018**

To,  
The Members,  
**STERLING GUARANTY & FINANCE LIMITED.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STERLING GUARANTY & FINANCE LIMITED** (CIN-L65990MH1983PLC031384) (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books as mentioned in **Annexure-I**, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2018 accordingly to the applicable provisions, if any, of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14<sup>th</sup> May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015);
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable for the period under audit;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the period under audit;
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable for the period under audit;
  - g. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 - Not applicable for the period under audit.
- VI. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for Compliances under other applicable Act, Laws and Regulations of the Company.
- VII. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned below:
- i) Reserve Bank of India Act, 1934
  - ii) All the Rules, Regulations, Guidelines and Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934.

We have also examined compliances with the applicable clauses of the following:

- i) Current Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 2015) as amended;
- iii) Obligations under the listing Agreement entered into by the Company with the BSE Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, etc. as mentioned above subject to the following observations:

1. *The Company has not provided its shareholders with the facility of e-voting under section 108 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 for the 33<sup>rd</sup> AGM dated 29<sup>th</sup> September 2017.*
2. *As required by Regulation 47 of LODR, 2015, the Company has not published the quarterly financial results filed with Bombay Stock Exchange (BSE) in the newspapers for the FY 2017-18 on account of financial constraint. However, annual accounts for the financial year 2017-18 as finally approved has been published in the newspaper as per the revised format as mandated by BSE Circular No. LIST/COMP/27/2018-19 dated 22.11.2018.*
3. *As per Regulation 9 SEBI (Prohibition of Insider Trading), 2015 the Company has given Trading Window Closure Notice of the Board Meeting conducted during the financial year 2017-18. No employees/directors/Key Managerial Personnel have traded in the Company's securities during the year as given in the Management Declaration.*
4. *The shareholders of the company had approved the Reduction of face value of issued and subscribed Equity Share capital of the company in the 33<sup>rd</sup> Annual General Meeting but the Board has decided on 26<sup>th</sup> March, 2018 not to pursue reduction of Capital in the interest of public shareholders.*
5. *The shareholders of the company had approved the right issue of Rs. 390 Lacs in the 33<sup>rd</sup> Annual General Meeting. The Board has decided in their meeting dt. 26<sup>th</sup> March, 2018 to defer the issue till the Bombay Stock Exchange (BSE) remove the company's existing listed equity shares from GSM VI.*
6. *In the 33<sup>rd</sup> Annual General Meeting of the Company had passed resolution for Alteration of Capital clause V in the Memorandum and Clause IV of Articles of Association making face value of Equity Share capital from Rs. 10/- to Rs.1/-.*

*This was consequential resolution for regarding reduction of share capital. However the Board of Directors decided not to do reduction of capital therefore this amendment of memorandum and Articles of Association has not been acted upon.*

7. *In the 33<sup>rd</sup> Annual General Meeting it was resolved to dematerialize Equity Shares of the company and the company has acted upon and appointed M/s. Purva Shareregistry India Private Limited as the Registrar and Transfer Agent (RTA) of the company. As on the date of this report Promoter's shareholding is demated 100%.*

We further report that:

The Board of Directors of the Company is duly constituted. There have been changes in the Board composition during the audit period.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. Mr. Dhiren Dhirajlal Mehta (DIN-00036743) is appointed as an additional Director of the Company w.e.f. October 25, 2017.

Date: December 3, 2018  
Place: Mumbai

For SAT & ASSOCIATES  
Company Secretaries



SUNIL THAKUR  
(Proprietor)  
ACS No. 24713  
CP No.11978

SAT & Associates  
4-702, Ashinwad Apt. Bldg.,  
Opp. Kabutarkhana Dharavi Road,  
Rani Sati Marg, Malad (East),  
Mumbai - 400 097

CS Sanil Thakur  
MOB. +91 9819186421  
E-mail: sanilthakur@satindia.com  
OFF. +91 22 25975600x2

#### **Annexure - I**

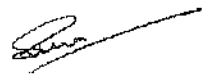
##### **BOOKS, PAPERS AND MINUTE BOOKS MAINTAINED BY THE COMPANY**

1. Book containing the Minutes of Board Meeting, General Meeting and Committee Meeting.
2. Book of accounts.
3. Register of Members.
4. Register of index of members.
5. Register of Transfer.
6. Register of Directors and Key managerial personnel and their shareholding.
7. Register of Charges.
8. Register of investments or loans made, guarantee or security provided.
9. Register of particulars of contracts.
10. Attendance Register.

#### **Annexure -II**

##### **OTHER APPLICABLE LAWS**

1. Income Tax Act, 1961
2. Standard Weight & Measure Act, 1976
3. Contract Labour (Regulation & Abolition) Act, 1970
4. Banking Regulation Act, 1949
5. Indian Contract Act, 1872
6. Sale of Goods Act, 1930
7. Registration Act, 1908
8. Negotiable Instruments Act, 1881
9. The Child Labour (Prohibition and Regulation) Act, 1986
10. The Workmen's Compensation Act, 1923



**J. H. BHANDARI & CO.**  
**CHARTERED ACCOUNTANTS**

4/9, Shreepati Arcade Annexe - 3, 22, A. K. Marg, Nana Chowk, Mumbai - 400036.

Mob No. 9819660855 Email ID. jinal.parikh@ymail.com

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Sterling Guaranty & Finance Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the standalone financial statements of Sterling Guaranty & Finance Limited ("the Company"), which comprise the balance sheet as at 31st March 2018 and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS 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 to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

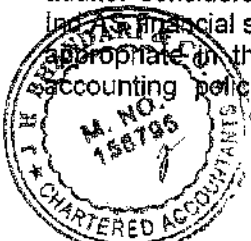
**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the



# **J. H. BHANDARI & CO.**

**CHARTERED ACCOUNTANTS**

4/9, Shreepati Arcade Annexe - 3, 22, A. K. Marg, Nana Chowk, Mumbai - 400036.

Mob No. 9819660855 Email ID. jinal.parikh@ymail.com

Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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 March 31, 2018, and loss, changes in equity and its cash flows for the year ended on that date.

## **Other Matters**

- a) The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2016 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated 29<sup>th</sup> May, 2017 expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



# ***J. H. BHANDARI & CO.***

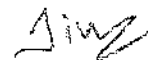
**CHARTERED ACCOUNTANTS**

4/9, Shreepati Arcade Annexe - 3, 22, A. K. Marg, Nana Chowk, Mumbai - 400036.

Mob No. 9819660855 Email ID. jinal.parikh@ymail.com

- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act except Ind AS – 19 Retirement Benefits.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative 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.

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W



Jinal Bhandari  
Proprietor  
Membership No: 158795

Place: Mumbai  
Date: 29<sup>th</sup> May, 2018





**J. H. BHANDARI & CO.**  
**CHARTERED ACCOUNTANTS**

4/9, Shreepati Arcade Annexe - 3, 22, A. K. Marg, Nana Chowk, Mumbai - 400036.

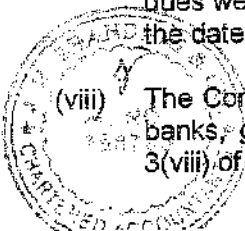
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**"Annexure A" to the Independent Auditors' Report**

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 2017, 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 2017 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.



**J. H. BHANDARI & CO.**  
**CHARTERED ACCOUNTANTS**

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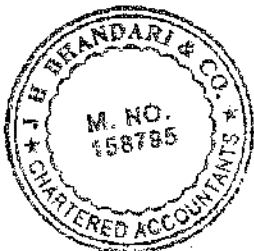
Mob No. 9819660855 Email ID. jinal.parikh@ymail.com

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- (ix) As per the information and explanation given to me, 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 me, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of my audit.
- (xi) According to the information and explanations give to me and based on my 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 my opinion and according to the information and explanations given to me, 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 me and based on my 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 me and based on my 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 me and based on my 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) As per the information and explanation given to me, the Company is a NBFC and is registered under section 45-IA of the Reserve Bank of India Act 1934.

For JH Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W

Place : Mumbai  
Date : 29<sup>th</sup> May, 2018



A handwritten signature in black ink, appearing to read "Jinal".

Jinal Bhandari  
Partner  
Membership No: 158795

**J. H. BHANDARI & CO.**  
**CHARTERED ACCOUNTANTS**

4/9, Shreepati Arcade Annexe - 3, 22, A. K. Marg, Nana Chowk, Mumbai - 400036.

Mob No. 9819660855 Email ID. jinal.parikh@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 2017 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.



# ***J. H. BHANDARI & CO.***

**CHARTERED ACCOUNTANTS**

4/9, Shreepati Arcade Annexe - 3, 22, A. K. Marg, Nana Chowk, Mumbai - 400036.  
Mob No. 9819660855 Email ID. jinal.parikh@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 my 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 31st March, 2018, 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.

**For J H Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

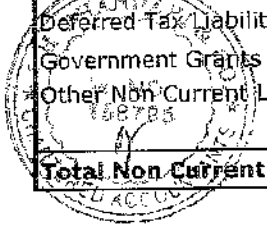
Place: Mumbai  
Date: 29<sup>th</sup> May, 2018



*Jinal*  
**Jinal Bhandari**  
Proprietor  
Membership No: 158795

**STERLING GUARANTY & FINANCE LIMITED**  
Balance Sheet as on 31st March, 2018

Particulars	Note No.	31/03/2018	31/03/2017
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment			
Capital Work-In-Progress			
Investment Properties			
Goodwill			
Other Intangible Assets			
<b>Financial Assets</b>			
Investments			
Loans and Advances			
Other Financial Assets			
Deferred Tax Assets (Net)			
Other Non-Current Assets			
<b>Total Non-Current Assets</b>		-	-
<b>Current Assets</b>			
Inventories			
Financial Assets			
i. Investments			
ii. Trade Receivables			
iii. Cash and Cash Equivalents	1	54,775	15,518
iv. Loans and Advances			
v. Other Financial Assets			
Other Current Assets			
Assets classified as held for sale			
<b>Total Current Assets</b>		54,775	15,518
<b>Total Assets</b>		<b>54,775</b>	<b>15,518</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2(a)	6,53,76,000	6,53,76,000
<b>Other Equity</b>			
Reserves & Surplus	2(b)	(7,23,80,475)	(7,22,88,132)
Other Reserves			
<b>Total Equity</b>		<b>(70,04,475)</b>	<b>(69,12,132)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	3(a)	70,40,000	69,15,000
ii. Other Financial Liabilities			
Provisions			
Employee Benefit Obligations			
Deferred Tax Liabilities			
Government Grants			
Other Non-Current Liabilities			
<b>Total Non-Current liabilities</b>		<b>70,40,000</b>	<b>69,15,000</b>



Particulars	Note No.	31/03/2018	31/03/2017
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings			
ii. Trade Payables			
iii. Other Financial Liabilities			
Provisions			
Employee Benefit Obligations			
Government Grants			
Current Tax Liabilities	4	19,250	12,650
Other Current Liabilities			
Liabilities directly associated with assets classified held for sale		19,250	12,650
<b>Total Current Liabilities</b>		<b>19,250</b>	<b>12,650</b>
<b>Total Liabilities</b>		<b>19,250</b>	<b>12,650</b>
<b>Total Equity and Liabilities</b>		<b>54,775</b>	<b>15,518</b>

The accompanying notes form an integral part of the financial statements.  
As per our Report of even date

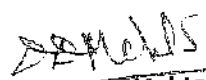
For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W



Jinal Bhandari  
Proprietor  
M. No. 158795

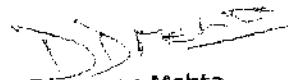
Place: Mumbai  
Date: 29th May, 2018

For and on behalf of the Board

  
Dhiren D. Mehta  
Chairman

DIN No 00036743



  
Dharmen Mehta  
Managing Director

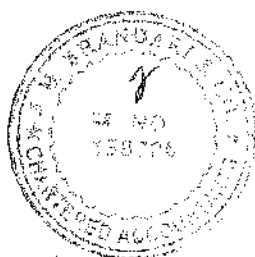
DIN No 00036787

Place: Mumbai  
Date: 29th May, 2018



**STERLING GUARANTY & FINANCE LIMITED**  
**Statement of Profit and Loss for the 31st March, 2018**


Particulars	Note No.	Year Ended 31/03/2018	Year Ended 31/03/2017
Revenue from Operations			
Other Income	5	3,00,913	76,848
Other Gains / (Losses) - Net		5,56,892	-
<b>Total Income</b>		<b>8,57,805</b>	<b>76,848</b>
<b>Expenses</b>			
Cost of Material consumed			
Purchase of stock-in-trade			
Change in Inventories of work-in-progress, stock in trade and finished goods			
Employee Benefits expenses			
Depreciation and Amortization expense			
Impairment of goodwill and other non current assets			
Other Expenses	6	9,50,148	6,10,106
Finance Cost			
<b>Total Expenses</b>		<b>9,50,148</b>	<b>6,10,106</b>
<b>Profit Before Tax</b>		<b>(92,343)</b>	<b>(5,33,258)</b>
Income tax Expenses			
- Current Tax		-	-
- Deferred Tax		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>(92,343)</b>	<b>(5,33,258)</b>
<b>Profit (Loss) for the period from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>XIII. Profit (Loss) for the period</b>		<b>(92,343)</b>	<b>(5,33,258)</b>



Particulars	Note No.	Year Ended 31/03/2018	Year Ended 31/03/2017
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in fairvalue of FVOCI debt instruments			
Deferred gains/(losses) on cash flow hedges			
Deferred cost of hedging			
Exchange differences on translation of foreign operations			
Other comprehensive income/(loss) arising from discontinued operations			
Net investment hedge gain			
Income tax relating to these items			
<i>Items that may not be reclassified to profit or loss</i>			
Changes in fairvalue of FVOCI equity instruments			
Deferred gains/(losses) on cash flow hedges			
Deferred cost of hedging			
Remeasurements of post-employment benefit obligations			
Income tax relating to these items			
<b>Other comprehensive income for the year, net of tax</b>			
<b>Total comprehensive income for the year</b>			
<b>Earnings per equity share</b>			
Basic			
Diluted			

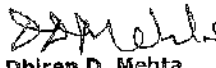
The accompanying notes form an integral part of the financial statements.  
As per our Report of even date

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W

  
Jinal Bhandari  
Proprietor  
M. No. 158795


Place: Mumbai  
Date: 29th May, 2018

For and on behalf of the Board

  
Dhiren D. Mehta  
Chairman  
DIN No 00036743

Place: Mumbai  
Date: 29th May, 2018



  
Dharmen Mehta  
Managing Director  
DIN No 00036787





**STERLING GUARANTY & FINANCE LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2018**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Cash flow from operating activities</b>		
Profit for the year	(92,343.00)	(5,33,258.00)
Adjustments for		
Depreciation and amortization expense		
Deposits	(69,15,000.00)	5,25,000.00
Decrease / (Increase) in Trade Receivables		
Decrease / (Increase) in Inventories		
(Decrease) / Increase in Trade Payables		
(Decrease) / Increase in Other Current liabilities	5,46,600.00	(4,945.00)
<b>Cash generated from operations</b>		
Income taxes paid		
<b>Net cash flow from operating activities</b>	<b>(64,60,743.00)</b>	<b>(13,203.00)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment		
Purchase of investments		
Proceeds from sale of plant, property and equipment		
Proceeds from sale of investment		
Repayment of loans by employees and related parties		
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	65,00,000.00	-
Proceeds from borrowings		
Share issue costs		
Repayment of borrowings		
Finance lease payments		
Interest paid		
Dividends paid to company shareholders		
<b>Net cash flow from financing activities</b>	<b>65,00,000.00</b>	<b>-</b>
<b>Net increase/ decrease in cash and cash equivalents</b>	<b>39,257.00</b>	<b>(13,203.00)</b>
Cash and cash equivalents at beginning of the financial year	15,518.00	28,721.00
Effects of exchange rate changes on cash and cash equivalents		
<b>Cash and cash equivalents at end of the year</b>	<b>54,775.00</b>	<b>15,518.00</b>

**Reconciliation of cash and cash equivalents as per the cash flow statement**

Cash and cash equivalents as per above comprise of the following

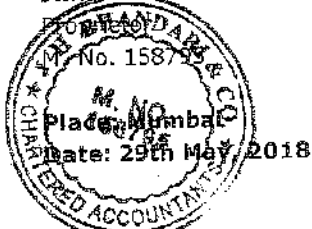
	31 March, 2018	31 March, 2017
Cash and cash equivalents (note 1)	1,070.00	1,070.00
Bank Overdrafts (note 1)	53,705.00	14,448.00
<b>Balances as per statement of cash flows</b>	<b>54,775.00</b>	<b>15,518.00</b>

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

**For J H Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

Jinal Bhandari



For and on behalf of the Board

*Dhiren D. Mehta*  
**Dhiren D. Mehta**  
Chairman

DIN NO 00636743



*Dharmen Mehta*  
**Dharmen Mehta**  
Managing Director

DIN NO 00636787

Place: Mumbai

Date: 29th May, 2018

**STERLING GUARANTY & FINANCE LIMITED**  
**Statement of changes in equity for the year ended 31st March, 2018**

**A. Equity share capital**

Particulars	Notes	
As at 1 April 2016		6,53,76,000
Changes in equity share capital	2	-
As at 31 March 2017		6,53,76,000
Changes in equity share capital	2	-
As at 31 March 2018		6,53,76,000

**B. Other equity**

Particulars	Other Equity				Total
	Reserves and Surplus		Other comprehensive income		
	Retained Earnings	Securities premium account	Statutory reserve	Equity Instruments through other comprehensive income	
Balance as at April 1, 2016	(8,35,08,416)	1,04,88,542	12,65,000	-	(7,17,54,874)
Profit for the year	(5,33,258)	-	-	-	(5,33,258)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(8,40,41,674)</b>	<b>1,04,88,542</b>	<b>12,65,000</b>	<b>-</b>	<b>(7,22,88,132)</b>
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge	-	-	-	-	-
Fair value changes on investments, net	-	-	-	-	-
Equity instruments through other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners:	-	-	-	-	-
Issue of equity	-	-	-	-	-
Dividends paid	-	-	-	-	-
Employee stock option expense	-	-	-	-	-
Balance as at 31 March, 2017	(8,40,41,674)	1,04,88,542	12,65,000	-	(7,22,88,132)




Particulars	Other Equity				Total
	Reserves and Surplus		Other comprehensive Income		
	Retained Earnings	Securities premium account	Statutory reserve	Equity instruments through other comprehensive income	
Balance as at April 1, 2017	(8,40,41,674)	1,04,88,542	12,65,000	-	(7,22,88,132)
Profit for the year	(92,343)	-	-	-	(92,343)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(8,41,34,017)</b>	<b>1,04,88,542</b>	<b>12,65,000</b>	<b>-</b>	<b>(7,23,80,475)</b>
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge	-	-	-	-	-
Fair value changes on investments, net	-	-	-	-	-
Equity instruments through other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners:	-	-	-	-	-
issue of equity	-	-	-	-	-
Dividends paid	-	-	-	-	-
Employee stock option expense	-	-	-	-	-
<b>Balance as at 31 March, 2018</b>	<b>(8,41,34,017)</b>	<b>1,04,88,542</b>	<b>12,65,000</b>	<b>-</b>	<b>(7,23,80,475)</b>

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W


  
Jinal Bhandari  
Proprietor  
M. No. 158795

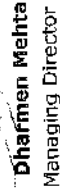
Place: Mumbai  
Date: 29th May, 2018



For and on behalf of the Board



  
Dharmen Mehta  
Managing Director  
DIN NO 00036987

  
Dharmen Mehta  
Managing Director  
DIN NO 00036987

Place: Mumbai  
Date: 29th May, 2018

**STERLING GUARANTY & FINANCE LIMITED**  
**Notes to the financial statements for the year ended Decemeber 31, 2018**

**Note No. - 1 First-time adoption of Ind-AS**

These financial statements, for the year ended 31 March 2018, are the first the entity has prepared in accordance with Ind-AS. For periods up to and including the year ended 31 March 2017, the entity prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the entity has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the entity's opening balance sheet was prepared as at 1 April 2016, the entity's date of transition to Ind-AS. This note explains the principal adjustments made by the entity in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

**Note No.2- Corporate Information**

The company is holding COR No. 13-03229 of 20-04-1999. In terms of Revised Regulatory Framework for NBFCs (RNI/2014-15/520DNBR (PD) CC. No. 024/03.10.001/2014-15) read with Notification No. DNBR.007/CGM (CDS)-2015 dated March 27,2015 the RBI had specified two hundred lakhs rupees as the minimum net owned fund (NOF). Also, all NBFC holding a certificate of Registration (COR) issued by the Bank and having net owned fund of less than two hundred lakhs of rupees by 31/03/2017 and were permitted to carry on the business of non-banking financial institution, provided such companies achieve the net owned fund of two hundred lakhs of rupees before April 1, 2017. However as the company could not achieve NOF of Rs. 200 lakhs by 31st March 2017, it did not carry on any business of NBFI in the years 2015-16, 2016-17 and in current year 2017-18. The company has neither accepted any public deposits nor does it hold any public deposits as on date. The company is not engaged in the business of NBFI as defined in Sec 45-1(a) of RBI. COR is voluntarily surrendered on 03-04-2018.

The Company had total income of Rs 8.54 lacs (Previous year 0.77) from the sale of investment and recovery of old dues. The Company has interest free borrowings from the promoter company Sterling Investments (India) Ltd. of Rs 70.40 Lacs as on date (Previous Year 66.40 Lacs) and from Indistock Financial Services Pvt. Ltd. Rs. Nil/- (Previous year Rs. 2.75 Lacs). The Company has done total expenses of Rs.9.50 Lacs (previous year Rs. 6.10 Lacs), pertaining to statutory requirement of listing fees, Legal Fees and administration expenses. During the year equity shares of the company are demated (ISIN No. INE68Y01016). Promoters holding is 47.69% (No. of shares 3117806) out of this no. of shares 3113252 i.e. 99.85% has been demated till 31-03-2018 and balance as on date.

**Note No. 3. Significant Accounting Policies**

**i) Statement of Compliance**

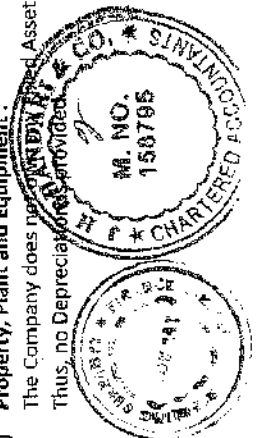
These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act except for Ind AS 19 - Retirement Benefits

**ii) Basis of Accounting**

The accounts of the company are prepared under the historical convention using accrual method of accounting. There has been no change in the method of accounting as compared to preceding previous year.

**iii) Property, Plant and Equipment :**

The Company does not own any fixed Assets.  
Thus, no Depreciation is provided.



**iv) Impairment of Assets :**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**v) Revenue recognition :**

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

**vi) Retirement Benefits :**

Compensation payable to employees retired is charged out in full in the year in which such expenditure is incurred.

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 Ind AS-19, as the same is made on cash basis and shall be provided in the books of the company as and when paid.

**vii) Inventories :**

The company does not hold any inventory at the year end.

**viii) Foreign Currency Transactions :**

Initial Recognition:

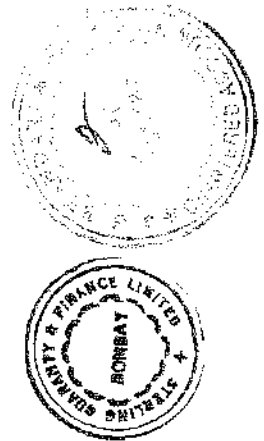
Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Conversion:

At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year end exchange rates.

Exchange Differences:

All exchange differences arising on settlement and/or conversion on foreign currency transaction are included in the Profit & Loss Account.



**ix) Taxation:**

a) Provision for Current Tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by the tax rates as applicable. However, the company has not provided for income tax as there is no income tax payable. b) No Deferred Tax Assets are created in the books of the company as in the opinion of the management, they are not reasonably certain that there will be sufficient future income to recover such Deferred Tax Assets.

**x) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**xi) Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand and demand deposits with banks.

**xiii) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Fair value of financial assets and financial liabilities**

All financial assets and liabilities are carried at amortised cost.

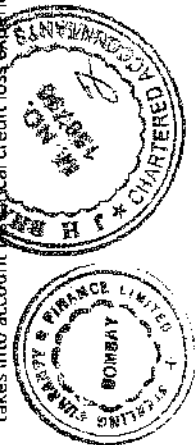
The management consider that the carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair value as on March 31, 2018 and March 31 2017.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on Financial assets measured at amortised cost and trade receivables.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as per Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.



xiv) **Related Party Disclosure:**

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a) List of related parties with whom transactions have taken place and relationship:

Sr. No.	Name of the Related Party	Relationship
1	Dharmen Mehta	Managing Director
2	Dhiren Mehta	Director
3	Sterling Investments (India) Limited	Company in which director is a director
4	Indistock Financial Services Pvt. Ltd.	Company in which director is a director

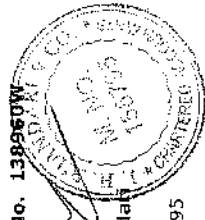
b) Transaction during the year with related parties:

**LOAN TAKEN**

Company in which Director is a Director	Opening	Taken	Repaid	Closing
Sterling Investments (India) Limited	66,40,000	6,00,000	2,00,000	70,40,000
	(63,90,000)	(2,50,000)	-	(66,40,000)
Indistock Financial Services Pvt. Ltd.	2,75,000	-	2,75,000	-
	-	(2,75,000)	-	(2,75,000)
<b>Total</b>	<b>69,15,000</b>	<b>6,00,000</b>	<b>4,75,000</b>	<b>70,40,000</b>

**For J H Bhandari & Co.**  
Chartered Accountants

Firm Reg. No. 138960W



**Jinal Bhandari**  
Proprietor  
M. No. 158795

**For STERLING GUARANTY & FINANCE LTD.**

**Dhiren D. Mehta**  
Chairman  
DIN No. 00036743

**Dharmen Mehta**  
Managing Director  
DIN No. 00036787

Place: Mumbai

Date : 29th May, 2018

Place: Mumbai

Date : 29th May, 2018

xv) **OTHER NOTES**

a) **Expenditure in foreign currency during the financial year on account of :**

Foreign Travelling Expenses – (Rs. Nil)

b) **Critical accounting judgements and key sources of estimation uncertainties:**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) **Trade Payables:**

Unpaid amount as on 31.03.2018 to Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained by the Company in absence of classification information as to the status of the Supplier. Hence such information is not disclosed in the financial statements.

d) **Provision for Bad & doubtful Debts is made based on the RBI guidelines to Non-Banking Financial Companies Prudential Norms.**

e) 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. 300 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.

f) **Earning Per Share (EPS) - EPS is calculated by dividing the Profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:**

	For the year ended	
	March 31, 2018	March 31, 2017
Profit / (Loss) after tax	(92,342.57)	(5,33,258.00)
Weighted Number of Shares	65,37,600	65,37,600
<b>EPS (Rs.)</b>		
Basic/Diluted Earning Per Share (Rs.)	(0.01)	(0.08)
Face value per share (Rs.)	10.00	10.00

**As per our Report of even date**

For J H Bhandari & Co.

Chartered Accountants

Firm Reg. No. 138960W

Jinal Bhandari

Proprietor

M. No. 158795

Place: Mumbai

Date: 29th May, 2018



**For and on behalf of the Board**

*(Signature)*

**Dhiren D. Mehta**

Chairman

DIN NO. 00036743



*(Signature)*

**Dharmen Mehta**

Managing Director

DIN NO. 00036787

Place: Mumbai

Date: 29th May, 2018



1) Cash and cash equivalents

Particulars	31 March, 2018	31 March, 2017
<b>Balances with banks</b>		
- in current accounts	53,705	14,448
- in EEFC account	-	-
Deposit with maturity of less than three months	-	-
Cash on hand	1,070	1,070
<b>Total cash and cash equivalents</b>	<b>54,775</b>	<b>15,518</b>

2) Equity

2 a) Equity Share Capital

Particulars	Number of shares	Amount
As at 1 April 2016	65,37,600	6,53,76,000
Increase during the year	-	-
As at 31 March 2017	65,37,600	6,53,76,000
Increase during the year	-	-
As at 31 March 2018	65,37,600	6,53,76,000

(i) Movement in equity share capital

Particulars	Number of shares	Amount
As at 1 April 2016	6,53,76,000	6,53,76,000
Issued during the year	-	-
As at 31 March 2017	6,53,76,000	6,53,76,000
Increase during the year	-	-
As at 31 March 2018	6,53,76,000	6,53,76,000

(ii) Details of shares held by each shareholders holding more than 5%

Particulars	31 March, 2018		31 March, 2017 & 1st April, 2016	
	No. of shares	% holding	No. of shares	% holding
Dhiren Dhirajlal Mehta	6,36,881	9.74%	6,36,881	9.74%
Indistock Securities Ltd	8,27,550	12.66%	8,27,550	12.66%
Sterling Investments (India) Ltd	10,47,872	16.03%	10,47,872	16.03%

2. b) Reserves and surplus

Particulars	31 March, 2018		31 March, 2017	
Securities Premium Account		1,04,88,542		1,04,88,542
Statutory Reserve u/s 45IC of RBI Act		12,65,000		12,65,000
<b>Retained earnings</b>				
Opening balance	(8,40,41,674)		(8,35,08,416)	
Profit for the year	(92,343)	(8,41,34,017)	(5,33,258)	(8,40,41,674)
<b>Total reserves and surplus</b>		<b>(7,23,80,475)</b>		<b>(7,22,88,132)</b>



**3 Financial Liabilities**

**3(a) Non Current Borrowings**

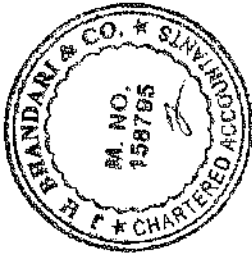
Particulars	Interest Rate	31 March, 2018	31 March, 2017	1 April, 2016
<b>Secured</b>				
Term loans				
-Banks				
-Other parties				
Deposits				
<b>Unsecured</b>				
Loans from Related Parties		70,40,000	69,15,000	63,90,000
<b>Total Non Current Borrowings</b>		<b>70,40,000</b>	<b>69,15,000</b>	<b>63,90,000</b>

**13(a) Current Borrowings**

Particulars	Interest Rate	31 March, 2018	31 March, 2017	1 April, 2016
Loans repayable on demand				
<b>Secured</b>				
Bank overdraft				
From banks				
<b>Total current borrowings</b>			-	-

**4) Other Current Liabilities**

Particulars	31 March, 2018	31 March, 2017
Statutory Tax payables	4,250	-
Audit Fees Payable	15,000	12,650
<b>Total Other Current Liabilities</b>	<b>19,250</b>	<b>12,650</b>



**5) Other Income**

Particulars	31 March, 2018	31 March, 2017
Dividend Income	6,560	5,248
Other Income	2,94,353	71,600
<b>Total Other Income</b>	<b>3,00,913</b>	<b>76,848</b>

**6) Other Expenses**

Particulars	31 March, 2018	31 March, 2017
Annual Listing & Registration Fees	3,20,700	2,36,200
Payment to Auditors (note 6.a)	15,000	12,650
Legal & Professional Fees	1,27,920	68,000
Miscellaneous Expenses	4,138	3,480
Telephone, Postage Expense	1,99,072	1,50,000
Printing and stationery	1,39,669	1,39,776
Profession Tax (Co.)	2,500	-
Penalty paid to BSE	21,240	-
Other Charges (CDSL, NSDL, RTA Charges)	1,19,909	-
<b>Total</b>	<b>9,50,148</b>	<b>6,10,106</b>

**6. a) Details of payment to auditors**

Particulars	31 March, 2018	31 March, 2017
Audit Fees	15,000	12,650
<b>Total</b>	<b>15,000</b>	<b>12,650</b>



STERLING GUARANTY & FINANCE LTD.

NOTE



REGD. OFFICE: G9 Duru Mahal, 84 Marine Drive, F Rd, Mumbai 400002  
 CORP. OFFICE: 91-A, Mittal Court, Nariman Point, Mumbai – 400021  
 TEL: 91-22-22840078. Email: sterling.guaranty@gmail.com, Website: www.sterlingguaranty.com  
 CIN No. : L65990MH1983PLC031384

**PROXY FORM – MGT 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	E-mail ID:
Registered Address:	Folio No./* DP & Client Id:

I/We, being the member(s) of.....shares of the above named Company, hereby appoint:

- (1) Name: ..... Address: .....  
 E-mail Id:.....Signature:....., or failing him/her;
- (2) Name: ..... Address: .....  
 E-mail Id:.....Signature:....., or failing him/her;
- (3) Name: ..... Address: .....  
 E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th annual General Meeting of the Company, to be held on Friday, 28<sup>th</sup> September, 2018 at 11:00 a.m. at 91 A, Mittal Court, Nariman Point, Mumbai – 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

SR. NO.	RESOLUTIONS	FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
1	Adoption of Balance Sheet as at 31st March 2018, the Profit and Loss account for the year ended on that date together with the Reports of Directors and Auditors thereon		
2	Reappointment of M/s. J. H. Bhandari & Co., Chartered Accountants (Firm Reg. No. 138960W) as statutory auditors of the company.		
<b>SPECIAL RESOLUTIONS</b>			
1	Dhiren D. Mehta age 67 is the Chairman and Additional Director, was appointed on 25 <sup>th</sup> October, 2017, be and is hereby reappointed as Chairman and Director of the Company”.		
2	Ms. Aditi Mehta (DIN: 01173259) (FCA No. 113426) age 39, was appointed as additional woman director on 03 <sup>rd</sup> December, 2018, be and is re-appointed as a Woman Director, CEO and CFO of the Company without remuneration.		
3	Mr. Sunil Kumar Jangir had been appointed as an Independent Director of the Company w.e.f. 14 <sup>th</sup> September, 2015. His term expires in the 34 <sup>th</sup> AGM. Board of Directors has received his letter dated 03 <sup>rd</sup> December, 2018 that he is not seeking re-appointment for his personal reasons and the same has been approved by the Board of Directors		
4	Ms. Geeta Ashar had been appointed as an Independent Director of the Company w.e.f. 14 <sup>th</sup> September, 2015. Her term expires in the 34 <sup>th</sup> AGM. Board of Directors has received her letter dated 03 <sup>rd</sup> December, 2018 that she is not seeking re-appointment for her personal reasons and age. The same has been approved by Board of Directors.		
5	Ms. Savita Dunagaram Kumawat, age 27, was appointed as additional director on 03 <sup>rd</sup> December, 2018, be and is re-appointed as Independent Director of the Company.”		
6	change the name of the Company From “Sterling Guaranty & Finance Limited” to “Chanakya Corporate Advisory Limited” or “Chanakya Fintech Limited” or “Chanakya Investment Taligent Limited” or any other name as may be approved by the Central Government, Registrar of Companies, Mumbai and other Regulatory Authorities, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.		
7	alteration of the object clause of the memorandum of association of the company		
8	voluntary delisting of equity shares of the company from BSE		

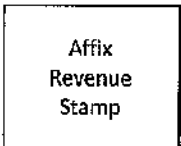
Signed this.....day of.....2018

Signature of the Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder





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TEL: 91-22-22840078. Email: sterling.guaranty@gmail.com, Website: www.sterlingguaranty.com  
CIN No. : L65990MH1983PLC031384

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. For Resolutions, Statement pursuant to Section.102 of the Companies Act 2013 and Notes, please refer to the Notice of 34<sup>th</sup> Annual General Meeting.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**ATTENDANCE SLIP**

Registered Folio No. / DP & Client ID No	
Name of the Sole / First named Member	
Registered Address	
Name(s) of the joint Member(s),	
No. of Shares held	

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the **34th Annual General Meeting** of the Company on Friday, the 28 day of September, 2018 at 11.00 a.m. at 91 A, Mittal Court, Nariman Point, Mumbai – 400021.

\_\_\_\_\_  
Signature of First holder/Proxy/Authorised Representative

\_\_\_\_\_  
Signature of Joint holder(s)

Place:

Date:

**Notes:**

1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the venue of the Meeting.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.
3. **NO GIFTS SHALL BE DISTRIBUTED IN THE ANNUAL GENERAL MEETING OR AFTERWARDS.**