



(CIN NO. L65990MH1983PLC031384)

NOTICE

NOTICE is hereby given that the 31st ANNUAL GENERAL MEETING of the members of **STERLING GUARANTY & FINANCE LIMITED** will be held at 91-A, Mittal Court, Nariman Point, Mumbai - 400 021 on **Monday, 14th September 2015** at 11.00 a.m. to transact the following business, namely :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial Statement of the company for the financial year ended March 31, 2015 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dhiren Mehta (DIN: 00036743), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory Auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

4. To appoint Shri Sunil Kumar Jangir (Din no.06653333) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sunil Kumar Jangir (Din no. 06653333), who was appointed as an Independent Non-executive Director liable to retire by rotation under the provisions of the Companies Act, 1956 and who qualifies for being appointed as an independent director under Companies Act 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to the date of the 34th Annual General Meeting of the Company in the calendar year 2018.

RESOLVED FURTHER THAT the Board of Directors (which term shall include any Committee constituted or to be constituted by the Board) be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

5. To appoint Smt. Geeta V Ashar (Din no.00036710) as an Independent Director and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**



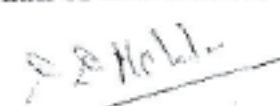
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Geeta V Ashar (Din no.00036710) who was appointed as an Independent Non-executive Director liable to retire by rotation under the provisions of the Companies Act, 1956 and who qualifies for being appointed as an independent director under Companies Act 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to the date of the 34th Annual General Meeting of the Company in the calendar year 2018.

RESOLVED FURTHER THAT the Board of Directors (which term shall include any Committee constituted or to be constituted by the Board) be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Place : Mumbai
Date : 29-05-2015

On behalf of the Board of Director

Registered Office:
91-A, Mittal Court,
Nariman Point,
Mumbai - 400 021.


D. D. MEHTA
EXECUTIVE CHAIRMAN

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT 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 thereunder, 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.
- b) 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.
- c) Register of Members and Share Transfer Book of the Company will remain closed from the 07/09/2015 to 14/09/2015 (both days inclusive) for the purpose of Annual General Meeting.
- d) 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.

- e) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- f) Additional information pursuant to clause 49 of the listing agreement in respect of the Directors seeking appointment/ re-appointment as mentioned under items nos. 2, 4 and 5 of this notice is appended. Further, the Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
- g) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out details relating to the special business mentioned under item nos. 4 & 5 of this notice, is annexed hereto.
- h) Copies of all documents referred to in the notice and the statement are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the annual general meeting of the Company.
- i) The Company has been maintaining, inter alia, the following statutory registers at its registered office 91-A, Mittal Court, Nariman Point, Mumbai - 400 021, which are open for inspection in terms of the applicable provisions of Companies Act, 2013 by members and others as specified below:
 - (i) 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.
 - (ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Companies Act, 2013 on all working days during business hours. The said Register 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.
- j) 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.
- k) 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.
- l) 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.



- m) 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.

Further 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.

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

ITEM NO. 2 OF THE NOTICE -

Mr. Dhiren D. Mehta is Promoter Director of the Company. He is appointed as Whole time Director designated as "Executive Chairman" for a period of 3 years with effect from 21st July 2013 drawing no remuneration from the company.

Mr. Dhiren D. Mehta is of 64 years old having vast experience in the financial services over 34 years. He is a Fellow Member of The Institute of Chartered Accountant Association of India.

Directorship in Any Other Company - He is holding directorship in Indistock Securities Ltd., Sterling Investments (India) Limited, Computron Systems Pvt Ltd. and Fixed Income Broker Association.

Committee Position - He is member of Audit Committee of the Company.

Share holding in the Company - He holds 9,14,381 (including shares held for HUF) no. of Equity shares of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri Dhiren Dhirajlal Mehta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Keeping in view his vast expertise and knowledge, Your Directors recommend the resolution for your approval.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Shri Sunil Kumar Jangir, Non-executive Independent Director was appointed as director of the company with effect from 08-08-2013 in casual vacancy arose due to resignation of Independent Director Shri Sanjay Keswani. The Board of Directors of the Company in its meeting held on 31-03-2015, subject to approval of members, has appointed Mr. Sunil Kumar Jangir as Independent Director u/s 149 of the Companies Act 2013 not liable to retire by rotation. He will hold office for a term of three Years i.e up to the date of the 34th Annual General Meeting of the Company in the calendar year 2018.

The Company has received a declaration from Shri Sunil Kumar Jangir that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Shri Sunil Kumar is not disqualified from being appointed as a Director in terms of section 164 of the Act.

According to section 152 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, in the opinion of the Board, the proposed appointment of Shri Sunil Kumar Jangir as an Independent Director, fulfils the conditions specified in the Act and the Rules made thereunder as also the new clause 49 of the Listing Agreement and that the proposed appointment of Shri Sunil Kumar Jangir is independent of the management.

Brief Profile and Particulars of Shri Sunil Kumar Jangir are given below:

Shri Sunil Kumar Jangir is of 29 years old having vast experience in the financial services sector of over 6 years. He is M.B.A. in Finance.

Directorship in Any Other Company - He is not holding directorship of any other company

Committee Position - He is member of Audit Committee and Share Transfer & Investor Relation Committee of the Company.

Shareholding in the Company - He does not hold any shares of the Company.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Sunil Kumar Jangir is appointed as an Independent Director of the Company.



Copy of the letter for appointment of Shri Sunil Kumar Jangir as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri Sunil Kumar Jangir and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Smt. Geeta V Ashar is a Non-executive Independent Director of the company since 14-12-2004. The Board of Directors of the Company in its meeting held on 31-03-2015, subject to approval of members, has appointed Smt. Geeta V. Ashar as Independent Director u/s 149 of the Companies Act 2013 not liable to retire by rotation. She will hold office for a term of three Years i.e up to the date of the 34th Annual General Meeting of the Company in the calendar year 2018.

The Company has received a declaration from Smt. Geeta V Ashar that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Smt. Geeta V Ashar is not disqualified from being appointed as a Director in terms of section 164 of the Act.

According to section 152 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, in the opinion of the Board, the proposed appointment of Smt. Geeta V Ashar as an Independent Director, fulfils the conditions specified in the Act and the Rules made thereunder as also the new clause 49 of the Listing Agreement and that the proposed appointment of Smt Geeta V Ashar is independent of the management.

Brief Profile and Particulars of Smt. Geeta V. Ashar are given below:

Smt. Geeta V. Ashar is of 58 years old having vast experience in the field of Taxation and Accounts for over 30 years. She is B.Com.



Directorship in Any Other Company - She is holding directorship in Sterling Investments (India) Limited.

Committee Position - She is a Chairperson and Member of Audit Committee and Share Transfer & Investor Relation Committee of the Company.

Shareholding in the Company – She holds 500 no. of Equity shares of the Company.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Smt. Geeta V Ashar is appointed as an Independent Director of the Company.

Copy of the letter for appointment of Smt. Geeta V Ashar as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Smt. Geeta V Ashar and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Place : Mumbai
Date : 29-05-2015

Registered Office:
91-A, Mittal Court,
Nariman Point,
Mumbai - 400 021.

On behalf of the Board of Director

D. D. MEHTA
EXECUTIVE CHAIRMAN

ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review:

The Company Sterling Guaranty & Finance Ltd. (SGFL) is defunct company for last several years. It has suffered before Tax loss of Rs. 4.44 lacs for the financial year ended March 31, 2015 compared to loss of Rs. 3.65 lacs in the previous year. The accumulated loss is Rs. 828.63 lacs compared to share holders' funds of Rs.771.30 lacs. The Company has negative Net worth as on March 31, 2015 of Rs.57.34 lacs against Rs. 52.90 lacs of last year.

Resources and Liquidity:

The Company has not accepted any fixed deposits from the public during the year 2014-2015 and there are no outstanding liabilities for deposits. The company has borrowed interest free Inter Corporate Deposit from Sterling Investments (India) Ltd., a registered NBFC and outstanding amount payable as on 31-03-2015 is Rs.57.50 lacs compared to previous year of Rs.53.05 lacs. They have now refused to give further finance. This will make it difficult for the company to meet minimal operational expenses, BSE listing fees and Audit Fees etc.

Industry Structure and Developments:

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

Opportunities:

The Company can revive its NBF1 activity if fresh funds are invented.

Challenges:

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

Outlook:

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

Risks 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.

Adequacy of Internal Control:

There internal controls in the company and control policies and procedures are adequate commensurate to the nature and scale of business activities. The Audit Committee of Directors reviews the adequacy of internal control periodically.

Vinod S. Mehta & Co.

CHARTERED ACCOUNTANTS

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

Auditor's Certificate

To

The Members of Sterling Guaranty & Finance Limited:

We have examined the compliance of conditions of corporate governance by **Sterling Guaranty & Finance Ltd.** For the year ended on 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

Date: 29/05/2015
Place: Mumbai

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



Membership No: 044607

ANNEXURE II

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, 2015.

Company Philosophy

The Company having no operation and no employee during the year under report have complied in all material respects with the requirements of Corporate Governance in terms of clause 49 of the Listing Agreements to the best of its capacity.

GOVERNANCE STRUCTURE

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

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

1. BOARD OF DIRECTORS

A) Composition of the Board of Directors.

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

The composition of the Board of Directors and related information for year ended 31st March 2015 was as follows:

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

NOTE

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

B) Independent Directors

The Non- Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of Companies Act, 2013 and Rules made under and meet with the requirement of clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and listing agreement has been issued.

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

C) Board Meetings:

Five Board Meetings were held during the year ended 31st March 2015, 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 30th May 2014, 14th August 2014, 7th November 2014, 6th February 2015 and 31st March 2015. Attendance of Directors at the board meeting and at the last Annual General Meeting is as given above.

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

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

E) Code of Conduct

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

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 31st March 2015.

For Sterling Guaranty & Finance Limited

Mr. Dhiren D. Mehta
Executive Chairman
Date : 29th May 2015

F) Whistle Blower Policy:

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

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

2. COMMITTEES OF BOARD

A. Audit Committee:

Qualified and Independent Audit Committee:

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

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

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

The Committee met 4 times during the year before the Board Meeting. The record of attendance of each member of the Committee in the year 2014-2015 is given below:

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

Term of Reference:

The Audit Committee inter alia performs the function of approving review of financial Reporting system, internal control system, discussion on quarterly, half yearly and annual financial results, interaction with Statutory Auditor, also gave the recommendation for the appointment of Statutory Auditor and their remuneration, reviews of Management discussion and analysis & Statement of significant related party transactions.

B. Remuneration and Nomination Committee:

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

C. Share transfer and Investor Relations Committee:

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

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

The company has maintained a functional website under url www.sterlingguaranty.com and the company has a dedicated email id sterling.guaranty@gmail.com for shareholders' communication and grievances.

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

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

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

3. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary company.

4. DISCLOSURES:

A. Related Party Transactions.

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

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

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

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

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

B. Disclosure of Accounting Treatment :

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

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

C. Remuneration of Directors:

Details of remuneration paid / payable to the Directors for the year ended 31st March, 2015,

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

Non-executive Directors :

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

D. Risk Management :

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

E. SHAREHOLDER INFORMATION

• GENERAL BODY MEETINGS

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

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

The 28th Annual General Meeting for the year ended 31st March 2012 was held at Tea Centre, Resham Bhavan, Veer Nariman Road, Mumbai – 400020 on Monday, 2nd July 2012 at 11.00 a.m.

There was no Extra Ordinary General Meeting held during f.y. 2014-15.

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 there is no items on the agenda requiring postal ballot.

- Annual General Meeting
 - Date & Time : Monday, 14th September, 2015 at 11.00 a.m.
 - Venue : C/O Indistock Securities Limited
91-A, Mittal Court,
Nariman Point
Mumbai-400 021.
 - Dates of book closure notified : Monday 7th September 2015 to Monday 14th September 2015
(both inclusive) for AGM
 - Dividend Payment Date : No Dividend recommended
- Financial Calendar (tentative)
(Period April 2015 to March 2016)
 - First Quarter Results : To be published by end July 2015
 - Second Quarter & Half Year Results : To be published by end of October 2015
 - Third Quarter Results : To be published by end of January 2016
 - Results for the year ending 31-03-2016 : To be published by end of May 2016
 - Annual General Meeting : August 2016
- Stock Exchanges where Company's Shares are listed : The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400023.
- Scrip Code : 508963 – BSE

- **Registrars and Transfer Agents :**

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

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

- **Share Transfer System**

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

- **Distribution of Shareholding as at 31st March, 2015**

No. of Shares held		Shareholders		Share Amount	
No.	No.	Number	% of total	(in Rs.)	% to Total
Upto	5000	14,966	99.71	2,74,00,240	41.91
5001	10000	13	0.09	8,78,730	1.34
10001	20000	14	0.09	19,06,000	2.92
20001	30000	2	0.01	4,68,500	0.72
30001	40000	1	0.01	3,06,500	0.47
40001	50000	0	0.00	0	0.00
50001	100000	4	0.03	26,76,000	4.09
100001	and above	9	0.06	3,17,40,030	48.55
Total		15,009	100.00	6,53,76,000	100.00

- **Distribution of shareholding according to categories of shareholders as at 31st March, 2015**

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

- **Stock Market price data at BSE** : High / Low during each month for the period 2014-2015 at BSE is not given as no transaction has taken place at BSE as per information available on BSE Website.

5. MEANS OF COMMUNICATION

Financial Results

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

The Company has a website www.sterlingguaranty.com. 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 in the Secretarial Department to enable investors to communicate with the Company & the investor correspondence Address is at

INVESTOR ADDRESS CORRESPONDENCE

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

The Management's Discussion & Analysis Report for the year ended 31st March, 2015 forms part of this Annual Report which is posted to the shareholder of the Company.

6. CEO/ CFO Certification:

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

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

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

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

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

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

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

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

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

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

Mr. Dhiren D. Mehta
Executive Chairman

Mr. Sunil Kumar Jangir
Director

Place : Mumbai Date : 29-05-2015

7. REPORT ON CORPORATE GOVERNANCE:

The Corporate Governance Report forms part of the Annual Report.

8. COMPLIANCE CERTIFICATE :

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

For & On behalf of the Board of Directors

Place: Mumbai
Date: 29th May 2015

Dhiren D. Mehta
Executive Chairman

ANNEXURE- III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65990MH1983PLC031384
2.	Registration Date	21-11-1983
3.	Name of the Company	STERLING GUARANTY & FINANCE LIMITED
4.	Category/Sub-category of the Company	Public company/ limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	91/ A , Mittal Court, Nariman Point, Mumbai – 400021 Tel: 022 22840019 Fax: 022 22048738
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	91/ A , Mittal Court, Nariman Point, Mumbai – 400021 Tel : 022 22840019

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary and Associate Company during f.y. 2014-15.

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.

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
Sub-total (B)(1):-	0	63,500	63,500	0.97	0	63,500	63,500	0.97	0.00
2. Non-Institutions									
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
Sub-total (B)(2):-	0	33,56,294	33,56,294	51.34	0	33,56,294	33,56,294	51.34	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	34,19,794	34,19,794	52.31	0	34,19,794	34,19,794	52.31	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	0	65,37,600	65,37,600	100.00	0	65,37,600	65,37,600	100.00	0.00

B) Shareholding of Promoter-

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

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

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

Note : There is no change in the total shareholding of promoters between 01-04-2014 and 31-3-2015.

There were no inter Transfer among Promoters during F.Y. 2014-15.

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	Vinod Hingorani	25200	0.39		Nil		25200	0.39
2	Rakesh Dunganrshi Shah	15100	0.23		Nil		15100	0.23
3	Santosh Kumar Jain	15100	0.23		Nil		15100	0.23
4	Mahendra V. Doshi	15100	0.23		Nil		15100	0.23
5	Khyati Rasiklal Shah	13800	0.21		Nil		13800	0.21
6	M. D. Marathe	13600	0.21		Nil		13600	0.21
7	Dhirajlal M. Mehta	13600	0.21		Nil		13600	0.21
8	Vinod N. Jain	10100	0.15		Nil		10100	0.15
9	Vijay K. Sanghavi	10100	0.15		Nil		10100	0.15
10	Ila Ravindra Busa	10000	0.15		Nil		10000	0.15

E) Shareholding of Directors and Key Managerial Personnel:

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

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
Indebtedness at the beginning of the financial year		(Inter Corporate Deposit)		
i) Principal Amount	Nil	5305000	Nil	5305000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	5305000	Nil	5305000
Change in Indebtedness during the financial year				
Addition	Nil	445000	Nil	445000
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	445000	Nil	445000
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	5750000	Nil	5750000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	5750000	Nil	5750000

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Dhiren Mehta, Executive Chairman	
1	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under 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 Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit 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 31st march 2015

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



STERLING
GUARANTY & FINANCE LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting before the Shareholders, Directors' Report and Audited Accounts of the Company for the year ended 31st March 2015.

FINANCIAL RESULTS	Year ended	Year ended
	31 st March	31 st March
	2015	2014
	(Rs.in Lacs)	
PROFIT (LOSS) BEFORE NON-CASH CHARGES	(4.44)	(3.65)
PROFIT (LOSS) BEFORE TAX	(4.44)	(3.65)
Provision for Taxation	0.00	0.00
NET PROFIT (LOSS) AFTER TAX	(4.44)	(3.65)
Balance brought forward	(824.19)	(820.54)
PROFIT (LOSS) CARRIED FORWARD	(828.63)	(824.19)

DIVIDEND

In view of loss incurred and carry forward losses, no dividend is proposed.

RESERVES

In view of loss incurred and carry forward losses, no amount is transferred to Reserve.

GENERAL:

The Company has no activity and is defunct. During the year under report, the Company had no business activity. It has suffered Net Loss of Rs.4.44 lacs compared to previous year of Rs.3.65 lacs because of nil operating income and minimum statutory & compliance expenses. The Company has become debt free Company and Sterling Investments (India) Ltd has advanced interest – free funds of Rs. 57.50 lacs as on 31/03/2015 to meet the liabilities. However they have now intimated that they will not be giving any further loan. Adequate provisions have been made as per prudential norms of Reserve Bank of India. The Company is registered NBFC with Reserve Bank of India but is prohibited from doing any NBFi activities.



OPERATIONS & FUTURE PLAN

During the year NBF Business was not carried out since Net Owned Funds (NOF) of the Company has fallen below the minimum prescribed limit. Directors have not been able to revive the Company. The company is grateful to Indistock Securities Ltd for allowing the company to use its registered office free of cost. However they have directed to vacate the office. Registered office will change.

Proposal to merger and amalgamate the company with Sterling Investments (India) Ltd, a duly registered NBFC having positive net worth, has been cancelled. Equity Shares of the Company is listed on BSE, however in future the company will not be able to bear increasing cost of compliance and listing fees.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation obtained by them, your directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013:

- i. In the preparation of the annual accounts for the year ended March 31, 2015, 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, 2015 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 proper system to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.



DIRECTORS

During the year under review pursuant to the provisions of Sections 149 and 152 read with Schedule IV and clause 49 of the Listing Agreements, the company has appointed Ms. Geeta V Ashar and Mr. Sunil Kumar Jangir as Independent Director not liable to retire by rotation. They hold office for a term up to the date of the 34th Annual General Meeting of the Company in the calendar year 2018.

Further, all the independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 and clause 49 of the listing agreement in respect of their position as an "Independent Director" of the Company.

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Company's Articles of Association, Mr. Dhiren Mehta, Executive Chairman retires by rotation at the forthcoming Annual General Meeting.

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control system. The Company's internal control system is commensurate with its size, scale and complexities of its operation. There is no requirement of internal audit as the company has not carried out any operation during the year. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. Significant observation and corrective actions taken by the management are presented to the Audit Committee of the board.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor :

The remarks in auditors' report are self-explanatory. M/s. Vinod S. Mehta & Co. Chartered Accountants, (Firm Registration no.111524W) who are Statutory Auditors of the company hold office upto the forthcoming Annual General meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2015-16. As required under the provision of section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Vinod S. Mehta & Co. Chartered Accountants, that their appointment, if made, would be in conformity with the limits specified in the said section.

Secretarial Audit :

Pursuant to the provision of Section 204 of the Companies Act, 2013 and rules made there under, the company is trying to obtain from qualified Company Secretary in practice Secretarial Audit Report. However as Company is defunct and has no funds are available to pay exorbitant



fees demanded which is Rs. 50,000/-. We have not succeeded. However all the compliance has been done as laid down in Form No. MR-3 and Annexure – A u/s 204(1). Secretarial Audit report will be sent as soon as it is received. In spite of best efforts no qualified Company Secretary is willing to join the defunct Company.

KEY MANAGERIAL PERSONNEL

During the year under review, the company continues to have Mr. Dhiren D. Mehta, Executive Chairman as Key Managerial Personnel. No Remuneration, fees including salary was paid to Executive as well as Non-executive directors during the year.

BOARD EVALUATION

Pursuant to the provision of the Companies Act, 2013 and 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 Director expressed their satisfaction with the evaluation process.

NUMBER OF MEETING OF THE BOARD AND OTHER COMMITTEE

The detail of number of meeting of the Board of Director and other Committee held and of Director attending the same during the Financial Year 2014-15 forms part of Corporate Governance Report.

COMMITTEE

Audit Committee

The Audit Committee constituted by the board of director comprises independent director namely Mrs. Geeta V. Ashar and Mr. Sunil Kumar Jangir and Mr. Dhiren Mehta, executive Chairman. The Chairperson of the Committee is Mrs. Geeta Ashar. Mr. Sunil Jangir is a Secretary to the meeting of the Committee. All the recommendations made by the Audit Committee were accepted by the board.

Nomination and Remuneration Committee

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



WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the listing agreement. The company has a whistle blower policy to report genuine concern or grievances.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT BY THE COMPANY

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

RISK MANAGEMENT

The Company has placed in system a detailed risk assessment and minimisation procedures which was reviewed periodically to effectively control the risks. The Board of Directors was informed periodically about the risk assessment and minimisation procedures.

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.

EXTRACT OF ANNUAL RETURN

The detail forming part of the extract of the Annual return in form MGT -9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure - B** and forms an integral part of this report.

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

The company has no activities relating to conservation of energy of technology absorption. The Company has not earned or spent any foreign exchange during the year.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2015 stood at Rs.653.76 lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted



any stock options or sweat equity shares. As on March 31, 2015, none of the Director of the Company hold instrument convertible into equity shares of the Company.

DEPOSITS

The Company has not accepted any deposits from the Public and does not hold any public deposit.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS.

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

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, affecting the financial position of the company have occurred after the end of the financial year 2014-15 and till the date of this report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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 2014-15.

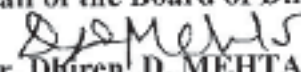
PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

Your Director would like to express their sincere appreciation for the assistance and co-operation received from the banks, government authorities and shareholders during the year under review.

For and on behalf of the Board of Directors


Mr. Dhiren D. MEHTA
Executive Chairman

Place: Mumbai
Dated: 29th May 2015.

Vinod S. Mehta & Co.

CHARTERED ACCOUNTANTS

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

Independent Auditor's Report

To the Members of
M/s. Sterling Guaranty & Finance Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. Sterling Guaranty & Finance Ltd.** ("the Company"), which comprise the balance sheet as at 31 March, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

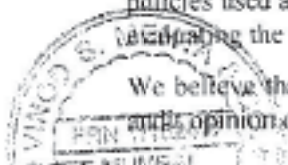
Auditor's Responsibility

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

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

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

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



Vinod S. Mehta & Co.

CHARTERED ACCOUNTANTS

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company incorporated in India.

Place: **Mumbai**
Date: **29.05.2015**

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


Girish L. Shethia
Partner
Membership No: 44607

Vinod S. Mehta & Co.

CHARTERED ACCOUNTANTS

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

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

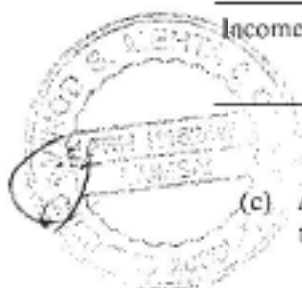
- (i) The Company has does not own any fixed assets.
- (ii) The company does not have any inventory at the year end.
- (iii) The Company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has accepted deposits from other companies and the same is compliant with 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, 2013 and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (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 employees' state insurance and duty of excise.

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 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income Tax	2,781/-	A.Y. 2000-2001	Rectification pending with A.O.

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions



Vinod S. Mehta & Co.

CHARTERED ACCOUNTANTS

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of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

- (viii) In our opinion the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the current financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place : **Mumbai**

Date : **29.05.2015**

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



Girish L. Shethia
Partner

Membership No: 44607

STERLING GUARANTY & FINANCE LIMITED
Balance Sheet as at 31st March 2015

[in Rupees]

Particulars	Note No.	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	65,376,000	65,376,000
Reserves and surplus	3	(71,109,854)	(70,665,827)
Current liabilities			
Short-term borrowings	4	5,750,000	5,305,000
Other current liabilities	5	17,360	18,140
TOTAL		33,506	33,313
ASSETS			
Current assets			
Cash and cash equivalents	6	33,506	33,313
TOTAL		33,506	33,313
Significant Accounting Policies and Notes forming part of the Financial Statements			

In terms of my attached Report of even date.

For and on behalf of Board of Directors

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

Chartered Accountants

(Firm Reg. No. 111524 W)



GIRISH L. SHETHIA

Partner

(Membership No. 44607)




DHIREN D. MEHTA
Executive Chairman


SUNIL KUMAR JANGHI
Director

Place : Mumbai

Dated : 29-05-2015

Place : Mumbai

Dated : 29-05-2015

STERLING GUARANTY & FINANCE LIMITED
Profit and Loss Statement for the year ended 31st March 2015

(In Rupees)

Particulars	Note No.	31 March 2015	31 March 2014
Revenue from Operations		-	-
Other income		-	-
Total Revenue		-	-
Expenses:			
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	7	444,027	365,462
Total expenses		444,027	365,462
Profit / (Loss) before exceptional and extraordinary items and tax		(444,027)	(365,462)
Exceptional Items		0	0
Profit / (Loss) before extraordinary items and tax		(444,027)	(365,462)
Extraordinary Items		-	-
Profit / (Loss) before tax		(444,027)	(365,462)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit (Loss) for the period from continuing operations		(444,027)	(365,462)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		(444,027)	(365,462)
Profit (Loss) for the period		(444,027)	(365,462)
Earnings per equity share:			
(1) Basic		(0.07)	(0.06)
(2) Diluted		(0.07)	(0.06)
Weighted Average Number of Shares (Face Value Rs. 10 per share)		6,537,600	6,537,600
Significant Accounting Policies and Notes forming part of the Financial Statements			

In terms of my attached Report of even date.

For and on behalf of Board of Directors

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

Chartered Accountants

(Firm Reg. No. 111524/07)

GIRISH L. SHETHIA

Partner

(Membership No 04807)



Dhiren D. Mehta
DHIREN D. MEHTA
 Executive Chairman

Sunil Kumar Jangir
SUNIL KUMAR JANGIR
 Director

Place : Mumbai

Date : 30-05-2015

Place : Mumbai

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2015**

1. STATEMENT OF ACCOUNTING POLICIES

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

b) Basis of Preparation of Financial Statements:

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

c) Use of Estimates:

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

d) Income Recognition:

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

e) Expenses

All crystallised claimed expenses are provided for on accrual basis.

f) Valuation:

(i) Stock of Trading Securities are classified into current and long term Investments. Current Investments are valued scripwise under each category at cost or market value whichever is lower. Long term Investments are valued at cost. The provision for diminution in value of long term investments has been made if in the opinion of Board of Directors of the Company there is a permanent decline in value of investments.

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

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

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

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



g) Depreciation:

- i) The Company has been providing depreciation for own assets on Straight line-Pro-rata basis at the rate specified in Schedule XIV of the Companies Act, 1956. The company does not have any fixed assets as on year end. The depreciation will be provided as prescribed under Schedule II of the Companies Act 2013.
- ii) In terms of Guidance Note on Accounting for lease issued by Institute of Chartered Accountants of India, depreciation on assets given on lease is provided in manner such that the cost of such asset is written off over the primary lease period in proportion to lease rentals accrued during the Year.

h) Borrowing Costs:

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

- i) Provision for Bad & doubtful Debts is made based on the RBI guidelines to Non-Banking Financial Companies Prudential Norms.
- j) The payment of gratuity to employee is accounted on cash basis.
- k) Taxation :

Income tax expenses comprises current tax and deferred tax charge or credit. Provision for income tax is made on the basis of estimated taxable income for the year.

Deferred Tax resulting from the timing difference between book and tax profit is accounted for under the liability method at the current rate of tax to the extent that the timing difference are expected to crystallise.

NOTE 2

SHARE CAPITAL

Share Capital	(in Rupees)	
	31-Mar-15 Amount	31-Mar-14 Amount
Authorised		
-		
2,50,000 (P.Y. 2,50,000) Preference Shares of Rs.10 each	2,500,000	2,500,000
67,50,000 (P.Y.67,50,000) Equity Shares of Rs.10 each	67,500,000	67,500,000
	70,000,000	70,000,000
Issued, Subscribed & Paid up		
65,37,600 (P.Y. 65,37,600) Equity Shares of Rs. 10 each fully paid up	65,376,000	65,376,000
Total	65,376,000	65,376,000



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

The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March 2014 and 31st March 2013 is set out below :

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	6,537,600	65,37,6000
Shares Issued during the year	NIL	NIL
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	6,537,600	65,37,6000

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

SR NO	Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Dhiren Dhirajlal Mehta	636881	9.74%	636881	9.74%
2	Indistock Securities Ltd	827550	12.66%	827550	12.66%
3	Sterling Investments (India) Ltd	1047872	16.03%	1047872	16.03%

Note 3

RESERVES & SURPLUS

<u>Reserves & Surplus</u>	(in Rupees)	
	As at 31 March 2015	As at 31 March 2014
Securities Premium Account		
Opening Balance	10,488,542	10,488,542
Closing Balance	10,488,542	10,488,542
Statutory Reserve u/s 45IC of RBI Act		
Opening Balance	1,265,000	1,265,000
Closing Balance	1,265,000	1,265,000
Surplus		
Opening balance	(82,419,369)	(82,053,907)
(+) Net Profit/(Net Loss) For the current year	(444,027)	(365,462)
Closing Balance	(82,863,396)	(82,419,369)
Total	(71,109,854)	(70,665,827)



NOTE 4

SHORT TERM BORROWINGS

(in Rupees)		
<u>Short Term Borrowings</u>	As at 31 March 2015	As at 31 March 2014
<u>Unsecured</u> Deposits - Intercorporate Deposits Sterling Investments (India Ltd (Company in which director of the company is a director)	5,750,000	5,305,000
	5,750,000	5,305,000
Total	5,750,000	5,305,000

NOTE 5

OTHER CURRENT LIABILITIES

(in Rupees)		
<u>Other Current Liabilities</u>	As at 31 March 2015	As at 31 March 2014
Other Liabilities	17,360	18,140
Total	17,360	18,140

NOTE 6

CASH AND CASH EQUIVALENTS

(in Rupees)		
Cash and cash equivalents	As at 31 March 2015	As at 31 March 2014
Cash on hand	1,422	3,371
Balance with banks in Current Account	32,084	29,942
Total	33,506	33,313



NOTE 7**OTHER EXPENSES**

Other expenses	(in Rupees)	
	As at 31 March 2015	As at 31 March 2014
Telephone , Postage	154,526	158,448
Printing & Stationary	105,410	123,333
Payment to Auditors - Audit fees	12,360	12,360
Annual Listing & Registration Fees	112,360	30,590
Legal & Professional Fees	39,000	31,285
Miscellaneous Expenses	20,371	9,446
Total	444,027	365,462

8. There is no Contingent Liability (Previous year Rs. Nil)
9. Provisions for Current Income Tax for the year 01.04.2014 to 31.03.2015 has not been made as there is no taxable income during the year in view of loss incurred during the year.
10. The Accounting standard AS-22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India has become applicable to the company. The cumulative Net Deferred Tax Assets as at 01.04.2014 and Deferred Tax Assets for the current year has not been recognised by the company as there is no certainty that sufficient future taxable income will be available against which such deferred tax can be realised.
11. The Income Tax assessments have been completed up to assessment year 2013 - 2014. Demands for A.Y. 2000-01 of Rs.2,781 (previous year Rs.2,781) have been raised which the company has contested for rectification/preferred appeals which are pending.
12. The Earning and Expenditure in foreign currency Rs. Nil (Previous Year Rs. Nil)
13. The Company has followed the Guidelines issued by the Reserve Bank of India to all Non Banking Financial Companies regarding Asset Classification, Provisioning for and income recognition on non-performing assets as applicable to it. However the Net Owned Funds of the company has fallen below the minimum prescribed limit of Rs. 25 lacs. 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.
14. Sundry debit / credit balances of parties are subject to confirmation and reconciliation if any.
15. AS-18 Related party Transactions.

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

Key Management Personnel:

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



Others

None

The company's related party transactions are as follows:

No Remuneration including salary was paid during the year

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

		<u>Current Year</u>	<u>Previous Year</u>
1. Net Profit / (Loss)as per Profit & Loss Account available for Equity Share Holder	(Rs.)	(4,44,027)	(Rs.) (3,65,462)
2. Weighted Average No. of Equity Shares outstanding.	(Nos)	65,37,600	(Nos) 65,37,600
3. Basic & Diluted Earning per Share (EPS)	(Rs.)	(0.07)	(Rs.) (0.06)
4. Face Value per share	(Rs.)	10	(Rs.) 10

18. (a) Based on the information available with the company regarding the status of creditors under the "Industries (Development and Regulation) Act ,1951, there are no amount due to Small scale Industrial undertaking exceeding Rs.1 lacs which is outstanding for more than 30 days.

(b) In the absence of necessary information with the Company, relating to the registration status of creditor under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.

19. The Previous years' figures have been re-grouped/re-arranged/ reclassified /re-casted/re-stated wherever necessary.



**Schedule to the Balance Sheet of a non-deposit taking non-Banking Financial Company
As at 31st March 2015**


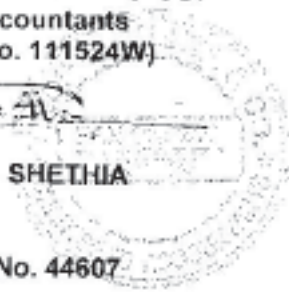
[as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]
(Rs. In Lakhs)

Particulars		Amount Outstanding	Amount Overdue				Amount Outstanding	
<u>LIABILITIES SIDE :</u>					<u>ASSETS SIDE : (Contd.)</u>			
(1)	Loans and advances availed By the non banking financial Company inclusive of interest accrued thereon but not paid :			1.	<u>Long Term Investments</u>			
	(a) Debentures : Secured	NIL	NIL		<u>Quoted :</u>			
	: Unsecured	NIL	NIL		(i) Shares : (a) Equity		NIL	
	(other than falling within the meaning of public deposits)				(b) Preference		NIL	
	(b) Deferred Credits	NIL	NIL		(ii) Debentures and Bonds		NIL	
	(c) Term Loans	NIL	NIL		(iii) Units of Mutual Funds		NIL	
	(d) Inter-corporate loans and Borrowing	57.50	NIL		(iv) Government Securities		NIL	
	(d) Commercial Paper	NIL	NIL	2.	<u>Unquoted :</u>			
	(f) Other Loans (specify nature)	NIL	NIL		(i) Shares : (a) Equity		NIL	
					(b) Preference		NIL	
					(ii) Debentures and Bonds		NIL	
					(iii) Units of Mutual Funds		NIL	
					(iv) Government Securities		NIL	
					(v) Others (please specify)		NIL	
	<u>ASSETS SIDE :</u>	Amount Outstanding		(5)	Borrower group-wise classification of assets financed as in (2) and (3) above :			
.	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				Category	Amount net of provisions		
	(b) Secured		NIL			Secured	Unsecured	Total
	(b) Unsecured		NIL		1. Related Parties			
					(a) Subsidiaries	NIL	NIL	NIL
					(c) Companies in the same Group	NIL	NIL	NIL
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities				(d) Other related Parties	NIL	NIL	NIL
	(i) Lease assets including lease rentals under sundry debtors :				2. Other than related parties	NIL	NIL	NIL
	(a) Financial lease		NIL		Total	NIL	NIL	NIL
	(b) Operating lease		NIL					
	(ii) Stock on hire including hire charges under sundry debtors :			(6)	Investor group-wise classification of all investments (current and Long term) in shares and securities (both quoted and unquoted) :			
	(a) Assets on hire		NIL		Category	Market value/ Break up or fair value or NAV	(Net Book Value of Provisions)	
	(b) Repossessed Assets		NIL					
	(iii) Other loans counting Towards AFC activities				1. Related Parties			
	(a) Loans where assets have been repossessed		NIL		(a) Subsidiaries	NIL	NIL	
	(b) Loans other than (a) above.		NIL		(b) Companies in the same group	NIL	NIL	
					(c) Other related parties	NIL	NIL	
(4)	Break-up of Investments :				2. Other than related parties	NIL	NIL	
	Current Investments :				Total	NIL	NIL	
1.	<u>Quoted :</u>							
	(i) Shares : (a) Equity		NIL					
	(b) Preference		NIL					
	(ii) Debentures and Bonds		NIL					
	(iii) Units of Mutual Funds		NIL					
	(iv) Government Securities		NIL					
	(v) Others (please specify)		NIL					
2.	<u>Unquoted :</u>			(7)	Other information			
	(i) Shares : (a) Equity		NIL		Particulars		Amount	
	(b) Preference		NIL		(i) Gross Non-Performing assets			
	(ii) Debentures and Bonds		NIL		(a) Related parties		NIL	
	(iii) Units of Mutual Funds		NIL		(b) Other than related Parties		NIL	
	(iv) Government Securities		NIL		(ii) Net Non-Performing Assets			
	(v) Others (please specify)		NIL		(a) Related parties		NIL	
					(b) Other than related parties		NIL	
					(iii) Assets acquired in satisfaction of debt		NIL	



In terms of my attached Report of even date

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

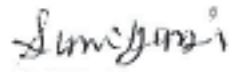



Mr. GIRISH L. SHETHIA

Partner
Membership No. 44607

Place : Mumbai
Date : 29-05-2015

For and on behalf of Board


DHIREN D. MEHTA
Executive Chairman
SUNIL KUMAR JANGIR
Director

Place : Mumbai
Date : 29-05-2015

STERLING GUARANTY & FINANCE LIMITED


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	(in Rupees)	
	For the Year ended 31.03.2015	For the Year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Provision, Tax and Extraordinary items	(444,027)	(365,462)
Adjustments for :		
Depreciation/ Lease Adjustment	-	-
Profit/Loss on sale of Fixed Assets (Net)	-	-
Loss on Investments (Net)	-	-
Operating Profit / (Loss) before Working Capital Changes	(444,027)	(365,462)
Adjustments for :		
Trade and other receivables	-	-
Inventories	445,000	280,000
Deposits	(780)	780
Other payables	193	(84,682)
Cash Generated from Operations	-	-
Direct taxes paid	-	-
Prior Year refund/payment of Tax (Net)	-	-
Net cash from operating Activities	(A) 193	(84,682)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale/W/off of Investments	-	-
Net cash used in investing Activities	(B) -	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Proceed from long term borrowings	-	-
Sale of Fixed Assets	-	-
Bank Cash Credit/term loan	-	-
Misc. Expenses	-	-
Dividends Paid	-	-
Share Application Refunds	-	-
Net cash used in Financing Activities	(C) -	(84,682)
Net increase in cash and Cash Equivalents	(A+B+C) 193	(84,682)
Cash & Cash Equivalents as at the Beginning of the year (Opening Balance)	33,313	117,995
Cash & Cash Equivalents as at the Close of the year (Closing Balance)	33,506	33,313

Note :

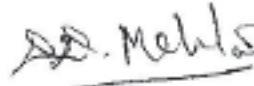

1. All figures in brackets are outflows.
 2. Previous years' figures have been regrouped/reclassified wherever necessary.
 3. Cash & Cash equivalents is cash & Bank Balances as per Balance Sheet.
 4. There is no operational activities during the year as advised by RBI.
- In terms of my attached report of even date,**

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


GIRISH L. SHETHIA
Partner
(Membership No 44607)

For and on behalf of Board of Directors




DHIREN D. MEHTA
Executive Chairman

SUNIL KUMAR JANGIR
Director

Place : Mumbai
Dated : 29-05-2015

Place : Mumbai
Dated : 29-05-2015