

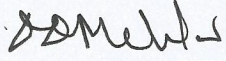
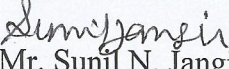

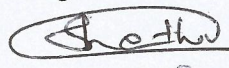



STERLING

GUARANTY & FINANCE LIMITED

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	STERLING GUARANTY & FINANCE LIMITED (Scrip Code : 508963)
2.	Annual Financial Statements for the year ended	31 st MARCH 2014
3.	Type of Audit Observation	Unqualified – No Observation
4.	Frequency of Audit Observation	Not Applicable
5.	Signed by -	<p> Mr. Dhiren D. Mehta Executive Chairman</p> <p> Mr. Sunil N. Jangir (Director)</p> <p> Ms. Geeta V. Ashar Chairman – Audit Committee</p> <p>For Vinod S. Mehta & Co. Chartered Accountants (Firm Reg. No. 111524W)</p> <p> Girish L. Sethia Partner Membership No. 44607</p> <p>(Note : The Company does not have CFO)</p> 

CIN NO. L65990MH1983PLC031384

REGD. OFFICE: 91-A, MITTAL COURT, NARIMAN POINT, MUMBAI-400 021.

TEL.: 91-022-2284 0019/29 • FAX: 91-22-2204 8738 • Email : sterling.guaranty@gmail.com



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(CIN NO. L65990MH1983PLC031384)

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REGISTERED OFFICE

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



STERLING

GUARANTY & FINANCE LIMITED

(CIN NO. L65990MH1983PLC031384)

NOTICE

NOTICE is hereby given that the **30th ANNUAL GENERAL MEETING** of the members of **STERLING GUARANTY & FINANCE LIMITED** will be held at Indian Merchant Chambers, Pravinchandra Gandhi Board Room, 4th Floor, LNM Bldg., IMC Marg, Churchgate, Mumbai -400 020 on **Thursday., 14th August 2014** at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended 31st March, 2014 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kumar Jangir, Director (DIN 06653333) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

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. 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 07/08/2014 to 14/08/2014 (both days inclusive) for the purpose of Annual General Meeting.**
- d) 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.
- e) Members are requested to bring their copy of Annual Report as extra copies will not be supplied at the Annual General Meeting.
- f) 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.
- g) In accordance with provisions of Section 205A of the Companies Act, 1956 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.
- h) At the ensuing Annual General Meeting Mr. Sunil Kumar Jangir Director of the Company retire by rotation and being eligible offer himself for reappointment. The information and details pertaining to this director to be provided in terms of Clause 49 of the Listing Agreements are furnished in the Statement on Corporate Governance published elsewhere in this Annual Report.

Place : Mumbai

Dated: 30th May, 2014.

Registered Office:

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

On behalf of the Board of Directors

**D. D. MEHTA
EXECUTIVE CHAIRMAN**

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 2014.

FINANCIAL RESULTS	Year ended 31 st March 2014	Year ended 31 st March 2013 (Rs.in Lacs)
PROFIT (LOSS) BEFORE NON-CASH CHARGES	(3.65)	(3.20)
PROFIT (LOSS) BEFORE TAX	(3.65)	(3.20)
Provision for Taxation	0.00	0.00
NET PROFIT (LOSS) AFTER TAX	(3.65)	(3.20)
Balance brought forward	(820.54)	(817.34)
PROFIT (LOSS) CARRIED FORWARD	(824.19)	(820.54)

DIVIDEND

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

GENERAL:

During the year under report, the Company had no business activity. It has suffered Net Loss of Rs.3.65 lacs compared to previous year of Rs.3.20 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 to meet the liabilities. Adequate provisions have been made as per prudential norms of Reserve Bank of India. The Company is registered NBFC with Reserve Bank of India.

OPERATIONS:

During the year NBF Business was not carried out since Net Owned Funds (NOF) of the Company has fallen below the minimum prescribed limit. Fortunes of the Company will improve if it is merged with Sterling Investments (India) Ltd. The company is grateful to Indistock Securities Ltd for allowing the company to use its registered office free of cost.

FUTURE PLAN

Proposal of merger and amalgamation of the company subject to necessary approvals, sanctions, consents with Sterling Investments (India) Ltd, a duly registered NBFC having positive net worth, is delayed. It is hoped that final decision will take place.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.



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GUARANTY & FINANCE LIMITED

- 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 at the end of the financial year and of the Loss of the Company for that period.
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. Your Directors have prepared the attached Statement of Accounts for the year ended 31st March 2014 on a going concern basis.

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.

DIRECTORS

During the year under report, Mr. Sanjay R. Keswani, Non executive Independent Director resigns w.e.f. 08/08/2013 and in his place and to fill the casual vacancy caused due to his resignation, Mr. Sunil Kumar Jangir has been appointed as Non executive Independent Director w.e.f.08/08/2013. The Board places on record the valuable contribution made by Mr. Sanjay R. Keswani during his tenure as Director.

The Board recommends reappointment of Mr. Sunil Kumar Jangir as Directors who retires by rotation and being eligible offer himself for reappointment. The detailed information and particulars of director seeking re appointment is incorporated in Corporate Governance Report.

DEPOSITS

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

PARTICULARS OF EMPLOYEES

There were no employees during the year within the meaning of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules 1975 as amended.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from the 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.

AUDITORS AND AUDITORS' REPORT

The remark in auditors' report are self explanatory. The Auditor, M/s. Vinod S. Mehta & Co. Chartered Accountants, retires at the conclusion of the meeting and is eligible for re-appointment.

On behalf of the Board of Directors

Place: Mumbai
Dated: 30th May, 2014.

D. D. MEHTA
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review:

Sterling Guaranty & Finance Ltd. (SGFL) has suffered before Tax loss of Rs. 3.65 lacs for the financial year ended March 31, 2014 compared to loss of Rs. 3.20 lacs in the previous year. The accumulated loss is Rs. 824.20 lacs compared to share holders' funds of Rs.771.30 lacs. The Company has negative Net worth as on March 31, 2014 of Rs.52.90 lacs against Rs. 49.24 lacs of last year.

Resources and Liquidity:

The Company has not accepted any fixed deposits from the public during the year 2013-2014 and there is no outstanding Liabilities. The company holds interest free Inter Corporate Deposit of Rs. 53.05 lacs which include Rs.22.80 received during the year from Sterling Investments (India) Ltd. The company has during the year repaid interest free sum to Indistock Securities Ltd and as on 31-03-2014, no amount is payable to it.

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 sees ample opportunity in reviving NBFIs business after considering the proposed merger and amalgamation with Sterling Investments (India) Ltd, a registered NBFC having positive net worth and resources.

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:

In view of proposed future plan the Company is confident of revival.

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.

Report on Corporate Governance
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

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.

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. All 2 Non Executive Director are Independent Directors. The Chairman of the Board is Executive Chairman. 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 2014 was as follows:

Name of the Director & Designation	Executive/ Non-executive/Independent	No. of Board Meetings attended	Attendance at the last AGM on 8 TH August 2013	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.	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. Sanjay Keswani (Up to 08/08/2013)	Non-Executive Independent Director	1	No	None	1) Audit Committee 2) Share Transfer & Investor Relations Committee
Mr. Sunil Kumar Jangir (From 08/08/2013)	Non-Executive Independent Director	4	Yes	None	1) Audit Committee 2) Share Transfer & Investor Relations Committee

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.

b) Board Meetings:

Five Board Meetings were held during the year ended 31st March 2014, and the gap between two meetings did not exceed four months. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in the Annexure 1 A 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 2013, 8th August 2013, 29th October 2013, 31st January 2014 and 29th March 2014.

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

Mr. Sunil Kumar Jangir, Nonexecutive Independent Director who retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Mr. Sunil Kumar Jangir is of 28 years old having vast experience in the financial services sector of over 5 years. He is M.B.A. in Finance . He is member of Audit Committee and Share Transfer & Investor Relation Committee of the Company. He is not holding directorship of any other company and does not hold any shares of the Company.

d) 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.

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 2014.

For Sterling Guaranty & Finance Limited

Mr. Dhiren D. Mehta
Executive Chairman

2. COMMITTEES OF BOARD

A. Audit Committee:

The Audit Committee of the Board comprises of three members, all of whom are Directors of whom Mrs. Geeta Ashar and Mr. Sunil Jangir are Independent. The Chairman 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 292A of the Companies Act, 1956. The Committee acts as a link between the Statutory 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 on before the Board Meeting. The record of attendance of each member of the Committee in the year 2013-2014 is given below:

Name of Director	No. of meetings attended
Geeta Ashar	4
Sanjay Keswani (Up to 08/08/2013)	1
Sunil Kumar Jangir (From 08/08/2013)	3
Dhiren D. Mehta	4

B. 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 Remuneration Committee of Directors.

C. Share Transfer & 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 & Investor Relations Committee which now comprises of :

1. Sunil Kumar Jangir - Independent Director
2. Geeta V. Ashar - Independent Director

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.

Manager has redressed all the complaints received during the year ended 31st March, 2014. The Company confirms that as on 31st March, 2014, 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:

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. The Register of Contracts detailing the transactions in which the Directors are interested is placed before the Board at every meeting pursuant to Section 301 of the Companies Act, 1956 and is signed by all the Directors present.

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.

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

Details of remuneration paid / payable to the Directors for the year ended 31st March, 2014.

(i) 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.

5. 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 and they have evaluated the effectiveness of the internal control systems of the company 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 : 30-05-2014

6. REPORT ON CORPORATE GOVERNANCE:

The Corporate Governance Report forms part of the Annual Report. Certificate from the statutory auditor confirming compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement of the Stock Exchange forms part of this report.

7. GENERAL BODY MEETINGS

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.

The 27th Annual General Meeting for the year ended 31st March 2011 was held at Tea Centre, Resham Bhavan, Veer Nariman Road, Mumbai –400020 on Tuesday, 9th August 2011 at 11.00 a.m.

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.

8. 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.

Other information

The Company has a dedicated email: sterling.guaranty@gmail.com in the Secretarial Department to enable investors to communicate with the Company.

The Management's Discussion & Analysis Report for the year ended 31st March, 2014 forms part of this Annual Report which is posted to the shareholder of the Company. The members are caution that it contains forward looking statement for future plan.

Shareholder Information

- Annual General Meeting

Date & Time	: Thursday, 14 th August, 2014 at 11.00 a.m.
Venue	: The Pravinchandra Gandhi Board Room Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400 020.
- Financial Calendar (tentative)
(Period April 2014 to March 2015)

First Quarter Results	: To be published by end July 2014
Second Quarter & Half Year Results	: To be published by end of October 2014
Third Quarter Results	: To be published by end of January 2015
Results for the year ending 31-03-2015	: To be published by end of May 2015
Annual General Meeting	: August 2015
Dates of book closure notified	: Thursday 7 th August 2014 to Thursday 14 th August 2014 (both inclusive) for AGM
Dividend Payment Date	: No Dividend recommended
- Stock Exchanges where Company's Shares are listed

	: The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400023.
Scrip Code	: 508963 – BSE

1. Registrars and Transfer Agents :

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

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

2. Share Transfer System

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



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3. Distribution of Shareholding as at 31st March, 2014

No. of Shares held		Shareholders		Share Amount	
No.	No.	Number	% of total	(in Rs.)	% to Total
Upto	5000	14,982	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		15,025	100.00	6,53,76,000	100.00

4. Distribution of shareholding according to categories of shareholders as at 31st March, 2014

Category	No. of shares	Amount in Rs.	% to total
Promoters Holding	31,17,806	3,11,78,060	47.69
Financial Institutions / Banks	62,800	6,28,000	0.96
Mutual Funds / UTI	700	7,000	0.01
Foreign Institutional Investors	0	0	0
NRIs / OCBs	0	0	0
Other Bodies Corporate	4,32,036	43,20,360	6.61
Public (Includes 500 shares held by Director)	29,24,258	2,92,42,580	44.73
Total	65,37,600	6,53,76,000	100.00

5. **Stock Market price data at BSE** : High / Low during each month for the period 2013-2014 at BSE is not given as no transaction has taken place at BSE as per information available on BSE Website.

6. Investor Correspondence :

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

For & On behalf of the Board of Directors

Place: Mumbai
Date: 30th May 2014

Dhiren D. Mehta
Executive Chairman



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GUARANTY & FINANCE LIMITED
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 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

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

Girish L Shethia,
Partner
Mem.No.44607

Date: 30/05/2014

Place : Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of
STERLING GUARANTY & FINANCE LIMITED

We have audited the accompanying financial statements of Sterling Guaranty & Finance Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility:

The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 ("the Act") and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



STERLING

GUARANTY & FINANCE LIMITED

2. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Place : Mumbai
Date : 30th May 2014**

**Girish L. Shethia
Partner
Membership No: 44607**



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GUARANTY & FINANCE LIMITED

ANNEXURE TO AUDITORS' REPORT

Re: **STERLING GUARANTY & FINANCE LIMITED**
Year Ended 31st March 2014

Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the fixed Assets are written off / fully provided for and hence eliminated from the Books of Accounts.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of the plant and machinery.
- (ii) (a) The company does not have any inventory at the year end. However, inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has neither granted or taken any loans to & from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

Therefore the provisions of clause 4 (iii) (b) to (g) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 during the year have been made at prices which are reasonable having regard to prevailing market prices, wherever possible and made available for verification, at the relevant time.
- (vi) The Company has not accepted any deposits from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The Company has no formal Internal Audit System.
- (viii) The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products of the Company.



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GUARANTY & FINANCE LIMITED

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except the following disputed amounts in respect of income tax.

Statement of Disputed Dues

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,781/-	A.Y. 2000-01	Rectification pending with Assessing Officer

- (x) 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 financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, during the year under report the Company has not defaulted in repayment of dues to bank as per settlement arrived with the banks. The Company does not have borrowings by way of Debentures.
- (xii) According to the information and explanations given to us and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund /society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The Company has maintained proper records of transactions & contracts in respect of trading in Shares, Securities, Debentures & other Investments and timely entries have been made. All the shares, securities, debentures & other investments have been held by the Company in its own name except to the extent of the exemptions granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanation given to us & records produced before us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) During the year under review, the Company has not taken any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company and after placing reliance on the assumptions made by the company, we are of the opinion that, prima facie, the funds raised on short-term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, during the year under report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures and hence the question of creating securities or charge in respect thereof does not arise.



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GUARANTY & FINANCE LIMITED

- (xx) The Company has not raised any money by way of public issue during the year under review.
- (xxi) Based on the audit procedures performed and on the basis of the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Mumbai
Date : 30th May 2014

For Vinod S. Mehta & Co.
Chartered Accountants
(Firm Reg. No. 111524W)
Girish L. Shethia
Partner
Membership No: 44607



STERLING

GUARANTY & FINANCE LIMITED

Balance Sheet as at 31st March 2014

(in Rupees)

Particulars	Note No.	31 March 2014	31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	65,376,000	65,376,000
Reserves and surplus	3	(70,665,827)	(70,300,365)
Current liabilities			
Short-term borrowings	4	5,305,000	5,025,000
Other current liabilities	5	18,140	17,360
TOTAL		33,313	117,995
ASSETS			
Current assets			
Cash and cash equivalents	6	33,313	117,995
TOTAL		33,313	117,995
Significant Accounting Policies and Notes forming part of the Financial Statements			

In terms of my attached Report of even date.

For VINOD S. MEHTA & CO.

Chartered Accountants

(Firm Reg. No. 111524 W)

GIRISH L. SHETHIA

Partner

(Membership No 44607)

Place : Mumbai

Dated : 30 -05-2014

For and on behalf of Board of Directors

DHIREN D. MEHTA

Executive Chairman

SUNIL KUMAR JANGIR

Director

Place : Mumbai

Dated : 30 -05-2014



STERLING

GUARANTY & FINANCE LIMITED

Profit and Loss Statement for the year ended 31st March 2014

(in Rupees)

Particulars	Note No.	31 March 2014	31 March 2013
Revenue from Operations		-	-
Other income		-	-
Total Revenue		-	-
Expenses:			
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	7	365,462	320,026
Total expenses		365,462	320,026
Profit / (Loss) before exceptional and extraordinary items and tax		(365,462)	(320,026)
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		(365,462)	(320,026)
Extraordinary Items		-	-
Profit / (Loss) before tax		(365,462)	(320,026)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit (Loss) for the period from continuing operations		(365,462)	(320,026)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		(365,462)	(320,026)
Profit (Loss) for the period		(365,462)	(320,026)
Earnings per equity share:			
(1) Basic		(0.06)	(0.05)
(2) Diluted		(0.06)	(0.05)
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 VINOD S. MEHTA & CO.

Chartered Accountants

(Firm Reg. No. 111524 W)

GIRISH L. SHETHIA

Partner

(Membership No 44607)

Place : Mumbai

Dated : 30 -05-2014

For and on behalf of Board of Directors

DHIREN D. MEHTA

Executive Chairman

SUNIL KUMAR JANGIR

Director

Place : Mumbai

Dated : 30 -05-2014

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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 1956, 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 crystalised 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.

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:



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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.

2. SHARE CAPITAL

(₹)

Share Capital	31-Mar-14	31-Mar-13
	Amount Rs.	Amount Rs.
Authorized		
2,50,000 (P.Y. 2,50,000) Preference Shares of ` 10 each	2,500,000	2,500,000
67,50,000 (P.Y.67,50,000) Equity Shares of ` 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 ` 10 each fully paid up	65,376,000	65,376,000
Total	65,376,000	65,376,000

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 2014		As at 31 March 2013	
		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%

3. RESERVES & SURPLUS

(₹)

Reserves & Surplus	As at 31 March 2014	As at 31 March 2013
	Rs. `	Rs. `
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	(82,053,907)	(81,733,881)
(+) Net Profit/(Net Loss) For the current year	(365,462)	(320,026)
Closing Balance	(82,419,369)	(82,053,907)
Total	(70,665,827)	(70,300,365)

4. SHORT TERM BORROWINGS

(₹)

<u>Short Term Borrowings</u>	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
<u>Unsecured</u>		
Deposits - Inter corporate		
Sterling Investments (India) Ltd	5,305,000	3,025,000
Indistock Securities Ltd (Company in which director of the company is a director)	Nil	2,000,000
Total	5,305,000	5,025,000

5. OTHER CURRENT LIABILITIES

<u>Other Current Liabilities</u>	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Other Liabilities	18,140	17,360
Total	18,140	17,360

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Cash on hand	3,371	1,345
Balance with banks in Current Account	29,942	116,650
Total	33,313	117,995

7. OTHER EXPENSES

Other expenses	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Telephone , Postage	158,448	155,425
Printing & Stationary	123,333	80,160
Web Design & Hosting Charges	Nil	3,500
Payment to Auditors as Audit Fees	12,360	12,360
Annual Listing & Registration Fees	30,590	29,090
Legal & Professional Fees	31,285	30,000
Miscellaneous Expenses	9,446	9,491
Total	365,462	320,026

The payment to the auditors is towards:

	Audit fees	As at 31 March 2014	As at 31 March 2013
		Rs.	Rs.
	Payments to the auditor as audit fees incl. of Ser.Tax.	12,360	12,360

8. There is no Contingent Liability (Previous year Rs. Nil)

9. Provisions for Current Income Tax for the year 01.04.2013 to 31.03.2014 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 01.04.2013 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:

Rs. Nil 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.)	(3,65,462)	(Rs.)	(3,20,026)
2. Weighted Average No. of Equity Shares outstanding.	(Nos)	65,37,600	(Nos)	65,37,600
3. Basic & Diluted Earning per Share (EPS)	(Rs.)	(0.06)	(Rs.)	(0.05)
4. Face Value per share	(Rs.)	10	(Rs.)	10



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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.



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Schedule to the Balance Sheet of a non-deposit taking non-Banking Financial Company As at 31st March 2014

[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		ASSETS SIDE : (Contd.)	(Rs. In Lakhs)		
	Outstanding	Overdue		Amount Outstanding	Secured	Unsecured
LIABILITIES SIDE :						
(1) Loans and advances availed By the non banking financial Company inclusive of interest accrued thereon but not paid :			Long Term Investments			
			1. Quoted :			
(a) Debentures : Secured	NIL	NIL	(i) Shares : (a) Equity			NIL
: Unsecured	NIL	NIL	(b) Preference			NIL
(other than falling within the meaning of public deposits)			(ii) Debentures and Bonds			NIL
(b) Deferred Credits	NIL	NIL	(iii) Units of Mutual Funds			NIL
(c) Term Loans	NIL	NIL	(iv) Government Securities			NIL
(d) Inter-corporate loans and Borrowing	53.05	NIL	(v) Others (please specify)			NIL
(d) Commercial Paper	NIL	NIL	2. Unquoted :			
(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
			(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
ASSETS SIDE :		Amount Outstanding	Category		Amount net of provisions	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				Secured	Unsecured	Total
(a) Secured		NIL	1. Related Parties			
(b) Unsecured		NIL	(a) Subsidiaries	NIL	NIL	NIL
			(b) 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			(c) 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. Quoted :						
(i) Shares : (a) Equity		NIL	(7) Other information			
(b) Preference		NIL	Particulars			Amount
(ii) Debentures and Bonds		NIL	(i) Gross Non-Performing assets			
(iii) Units of Mutual Funds		NIL	(a) Related parties			NIL
(iv) Government Securities		NIL				
(v) Others (please specify)		NIL				



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2.	<u>Unquoted :</u>			
	(i) Shares : (a) Equity	NIL	(b) Other than related Parties	NIL
	(b) Preference	NIL	(ii) Net 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	(iii) Assets acquired in	NIL
	(v) Others (please specify)	NIL	satisfaction of debt	

In terms of my attached Report of even date

For and on behalf of Board

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

GIRESH L. SHETHIA
PARTNER

Membership No.44607
Place : Mumbai
Date : 30-05-2014

DHIREN D. MEHTA
Executive Chairman

SUNIL KUMAR JANGIR
Director

Place : Mumbai
Date : 30-05-2014



STERLING

GUARANTY & FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

		For the Year ended <u>31.03.2014</u>	For the Year ended <u>31.03.2013</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit / (Loss) before Provision, Tax and Extraordinary items		(365,462)	(320,026)
Adjustments for :			
Depreciation/ Lease Adjustment	-		-
Profit/Loss on sale of Fixed Assets (Net)	-		-
Loss on Investments (Net)	-		-
Operating Profit / (Loss) before Working Capital Chages		(365,462)	(320,026)
Adjustments for :			
Trade and other receivables	-		-
Inventories	-		-
Deposits	280,000		400,000
Other payables	780	280,780	227 400,227
Cash Generated from Operations		(84,682)	80,201
Direct taxes paid	-		-
Prior Year refund/payment of Tax (Net)	-		-
Net cash from operating Activities	(A)	<u>(84,682)</u>	<u>80,201</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Sale/W/off of Investments		-	-
Net cash used in investing Activities	(B)	<u>-</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital		-	-
Proceed from long term borrowings		-	-
Sale of Fixed Assets		-	-
Bank Cash Credi/term Loan		-	-
Misc. Expenses		-	-
Dividends Paid		-	-
Share Application Refunds		-	-
Net cash used in Financing Activities	(C)	<u>-</u>	<u>-</u>
Net increase in cash and Cash Equivalents	(A+B+C)	<u>(84,682)</u>	<u>80,201</u>
Cash & Cash Equivalents as at the Beginning of the year (Opening Balance)		117,995	37,794
Cash & Cash Equivalents as at the Close of the year (Closing Balance)		33,313	117,995

Note :

1. All figures in brackets are outflows.
2. Previous years' figures have been regrouped/reclassified wherever necessary.
3. Cash & Cash equivalent 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 and on behalf of Board

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

DHIREN D. MEHTA
Executive Chairman

GIRESH L. SHETHIA
PARTNER

SUNIL KUMAR JANGIR
Director

Membership No.44607
Place : Mumbai
Date : 30-05-2014

Place : Mumbai
Date : 30-05-2014



STERLING GUARANTY & FINANCE LIMITED

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

CIN : L65990MH1983PLC031384 Web Site www.sterlingguaranty.com Tele : 91 22 22840019

ATTENDANCE SLIP

(To be signed and handed over at the entrance of the meeting venue)

Regd. Folio No. _____ No. of Shares held : _____

Full Name of the Member (in Block Letters) _____

Name of Proxy (in Block Letters) _____

(to be filled in by the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 30th Annual General Meeting of the Company on Thursday, August 14, 2014 at 11.00 a.m.

at Indian Merchant Chambers, Pravinchandra Gandhi Board Room, 4th Floor, LNM Bldg., IMC Marg, Churchgate, Mumbai 400 020..

Member's/Proxy's Signature

Note : Members are requested to bring their copies of the Annual Report to the meeting.



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PROXY FORM – MGT – 11

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

CIN : L65990MH1983PLC031384

Name of the Company : STERLING GUARANTY & FINANCE LIMITED

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

Name of the Member (s) : _____

Registered Address : _____

E-Mail ID : _____ Folio No. _____

I/We, being the member(s) of _____ shares of the above mentioned company, hereby appoint

1. Name : _____

Address : _____

Email ID : _____ Signature : _____ or failing him/her

2. Name : _____

Address : _____

Email ID : _____ Signature : _____ or failing him/her

3. Name : _____

Address : _____

Email ID : _____ Signature : _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf of the Thirtieth Annual General Meeting of the Company to be held on 14th day of August 2014 at 11.00 a.m. at Indian Merchant Chambers, Pravinchandra Gandhi Board Room, 4th Floor, LNM Bldg., IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolution No. 1 : Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors for the financial year ended 31st March 2014.

Resolution No. 2 : Re-appointment of a Director Mr. Sunil Kumar Jangir, who retires by rotation..

Resolution No. 3 : Appointment of Statutory Auditors and fixing their remuneration.

Signed this _____ day of _____ 2014.

Signature of Shareholder (s)

Signature of Proxy Holder (s)

Affix
Revenue
Stamp of not
less than Rs.0.15

Note :

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.