

# SHREEVATSA FINANCE AND LEASING LIMITED

120/500 (10), Lajpat Nagar, Kanpur-208005

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## NOTICE

Notice is hereby given that Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> day of September 2011 at 09:30 A.M. at the registered office of the Company at 120/500 (10), Lajpat Nagar, Kanpur-208005 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2011, the Profit & Loss Account for the year ended on that date and the reports of Auditors and Directors thereon.
2. To appoint M/s Tandon & Mahendra, Chartered Accountants as auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the company and fix their remuneration.
3. To appoint a Director in place of Mrs. Rekha Chawla, who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 257 and other applicable provisions of the Companies Act, 1956, Mr. Deepak Kumar be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Place: Kanpur  
Dated: 03.09.2011

By order of the Board

Sd/-  
Praveen Kumar Arora  
(Managing Director)

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and that a proxy so appointed need not be a member of the Company.
2. The proxy form duly completed and executed should reach the Company's Registered office or Head Office atleast 48 (Forty Eight) hours before the commencement of the meeting.

3. The Register of Members and Transfer Books of the Company shall remain close from 24.09.2011 to 30.09.2011 (both days inclusive).
4. Detail under Clause 49 of listing agreement with the stock exchange in respect of directors seeking appointment/reappointment at the meeting is being separately annexed hereto.

## **Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:**

### **Item no. 1**

Mr. Deepak Kumar was appointed as a Director to fill up casual vacancy caused due to death of Mr. Sudhir Kumar Bajpai pursuant to the provision of Section 262 of the Companies Act, 1956 with effect from November 28, 2010. He holds office of Director up to the date of ensuing Annual General Meeting.

The Company has received notice in writing from a member along with required deposit, proposing candidature of Mr. Deepak Kumar for office of Director pursuant to the provisions of Section 257 of the Companies Act, 1956

Mr. Deepak Kumar does not hold any shares in the Company.

Yours Directors recommend the resolution as set out in the item no. 1 of the notice of your approval. No Director other than Mr. Deepak Kumar is, any way, concerned or interested in this resolution.

# SHREEVATSAA FINANCE AND LEASING LIMITED

120/500 (10), Lajpat Nagar, Kanpur-208005

## DIRECTOR'S REPORT

To the members of Shreevatsaa Finance and Leasing Limited

Your Directors feel pleasure in presenting their Annual Report of the business and operations together with Annual Accounts of the company for the period ended 31<sup>st</sup> March, 2011.

### STATE OF COMPANY'S AFFAIRS:

The summary of the financial position of the Company is given hereinbelow: -

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b><i>Profit Before Taxation and Depreciation</i></b>	(3,777,929.17)	420,110.85
Depreciation	9,649	11,652
<b><i>Profit Before Taxation</i></b>	(3,787,578.17)	408,458.85
Provision for Taxation for current Year	-	123,548
Add/(less) Deferred Tax	(1,333)	74,164
Add/(less) MAT Credit Aailed	58,229	-
<b><i>Profit after Taxation</i></b>	(3,728,016.17)	210,746.85
Add: - Balance Brought forward from Previous Year	28,905,825.40	28,737,228.55
<b><i>Profit available for Appropriation</i></b>	25,177,809.23	28,947,975.40

### DIVIDEND

The Company has incurred a Net loss of Rs. 37,28,016/- (Rupees Thirty Seven Lac Twenty Eight Thousand and Sixteen only) in the current financial year, henceforth Board of Directors does not recommended any dividend for the year 2010-11.

### OPERATIONS:

During the year review the overall performance of the company was steady and satisfactory. The Company has been mainly carrying on the business of sale and purchase of shares, securities and units. It also earned interest income on FDR's, jobbing profits from shares and interest and dividend from units and mutual funds.

The Company continues to focus its main attention on cost reduction, Assets/Liability – Management and collection. Your company managed to carry out all its business and commercial obligations in time and with dignity.

Your Directors shall continue to put in all efforts to increase the business of the company and are confident of even better and brighter prospects of the Company.

The Company is considering various possibilities for optimizing the present business activities and also other business proposals, keeping in view the profitability and stability of business of the Company. The company is also pursuing the possibility into other related activities.

There have not been any material changes and commitments affecting the financial position of the company between the end of the financial year of the company and the date Board's Report.

### **DIRECTORS**

Since the date of last Annual General Meeting there has been no change in the constitution of the Board. Mrs. Rekha Chawla, retire by rotation at the ensuing Annual General Meeting and being eligible have respectively offered themselves for reappointment.

### **AUDITORS:**

The Statutory Auditors, M/s Tandon & Mahendra, Chartered Accountants, hold office upto and retire at the conclusion of ensuring Annual General Meeting and being eligible and have expressed their willingness for being re-appointed. The matter relating to their re-appointment has been appropriately included in the notice of the ensuing Annual General Meeting.

### **AUDITORS REMARK:**

The Auditor's Report is self-explanatory and contains no adverse remarks or qualifications and hence no explanation thereof is being given.

### **LISTING AGREEMENT:**

The equity shares of the company are listed at the U.P. Stock Exchange, Kanpur, Bombay Stock Exchange Limited, Mumbai and Ahemdabad Stock Exchange, Ahemdabad.

The cash flow statement pursuant to Clause 32 of the Listing Agreement is being annexed herewith.

### **AUDIT COMMITTEE:**

Pursuant to the provisions contained in Section 292-A of the Companies Act, 1956 and clause 49 of Listing Agreement, an Audit Committee of the Company has been constituted. The committee is fully aware of its rights and obligations and has been since its constitution closely monitoring the affairs of the company so far as they affect the company's financial reporting process and the disclose of its financial information to ensure that the financial statement is correct and credible.

### **NBFC STATUS:**

The Company is duly registered with Reserve Bank of India as an NBFC, not accepting public deposits.

Since the Company has neither accepted any deposit nor it intends to accept any deposit hence it has duly been passing appropriate resolution in each financial year.

### **PARICULAR OF EMPLOYEES:**

None of the employees of the company are in receipt of remuneration in excess of the limits as stated in sub-section (2A) or Section 217 of the Companies Act, 1956, and hence no particulars of any employees are being given.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 do not apply to the company; however the following information is being set out under this head:

(i) Conservation of Energy:

The operations of the Company are not energy intensive yet, but besides that all possible measures shall be taken to conserve the energy in all related areas.

(ii) Technology Absorption & Research And Development:

The Company has not imported any technology, and has not established any separated research and development unit, however the Company shall always kept itself updated with latest technological innovations by way of constant communications and personal discussions with the experts.

(iii) Foreign Exchange Earning And Outgo:

During the year under review there was no foreign exchange earning or outgo.

## **CHANGE IN THE NATURE OF THE COMPANY'S BUSINESS ETC.:**

There has not been any change in the nature of the Company's business or in the class of the business in which the company has an interest. Company has no subsidiary.

## **BUY BACK:**

The Company has not bought back any shares during the financial year.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sub section (2AA) of Section 217 of the Act the Directors declare as under,

1. That in the preparation of Annual Accounts for the year ended 31-03-2011, the applicable Accounting Standards have been followed and there was no departure has been made therefrom.
2. That the 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 profit or loss of the company for the same period.
3. That the Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

Directors have exercised their responsibility for the accuracy of the financial statements based on the accounting systems, policies and procedures designed to provide reasonable assurance of the reliability of financial records. Such controls based on established policies and procedures are implemented by the trained and skilled personnel of the Company.

## **CORPORATE GOVERNANCE:**

As per the requirement of clause 49 Listing Agreement of the company has to necessarily comply with the Corporate Governance norms as per the said clause. Accordingly the company has duly complied with the Corporate Governance norms to the extent and in the manner as set out in the Report on Corporate Governance annexed herewith which forms part of this report.

## **SECRETARIAL AUDIT REPORT**

In Compliance with the directives issued by the Securities and Exchange Board of India (SEBI), Secretarial Audit Report by a practicing company secretary at specified periodicity and the reports are being submitted to Stock Exchange.

## **DEMATERIALISATION OF EQUITY SHARES:**

The equity shares of the company may be dealt in dematerialized form. The shareholders are requested to send their share certificate through their depository participants for having their shares in electronic form.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and thanks for the cooperation, support and assistance extended by shareholders, employees, associates, customers, Bankers, Government Agencies and all other concerns.

For and on behalf of Board of Directors

Sd/-  
Praveen Kumar Arora  
(Chairman)

Dated: 03.09.2011  
Place: Kanpur

## **ANNEXURE TO THE DIRECTORS REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders' value and discharge of social responsibility. The Corporate Governance structure in the company assigns responsibilities and entrust authority among different participants in the organisation viz. the Board of Directors, the Senior management, Employees, etc. The Company has adopted Corporate Governance and disclosure practices even before these were mandated legislations.

Keeping in view the Company's corporate traditions, we are fully committed to follow the procedures and practices in conformity with the clause 49 of the listing agreement of the Stock Exchanges, as applicable. Your Directors present the Company's report on Corporate Governance as under: -

#### **Mandatory Requirements**

##### **COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements. Our philosophy on Corporate Governance envisages attainment of absolute transparency, accountability and equity in all facets of its operations and in all its interactions with shareholders, employees and Government departments.

##### **BOARD OF DIRECTORS**

The company has optimum combination of Executive, Non executive Directors and Independent directors to ensure the independent functioning of the Board.

The functions of the Board include formulation of strategic business plans, budgets, setting up of goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board has constituted one Audit committee as per clause 49 of the Listing Agreement which is chaired by Non – Executive Director.

During the financial year 2010-11, Nine Board Meetings were held on

- 1) 07<sup>th</sup> April, 2010
- 2) 30<sup>th</sup> April, 2010
- 3) 30<sup>th</sup> July, 2010
- 4) 23<sup>rd</sup> August, 2010
- 5) 02<sup>nd</sup> September, 2010
- 6) 30<sup>th</sup> October, 2010
- 7) 28<sup>th</sup> November, 2010
- 8) 31<sup>st</sup> January, 2011
- 9) 31<sup>st</sup> March, 2011



The last AGM was held on 30<sup>th</sup> September 2010.

The composition of Board of Directors, their attendance at the Board Meetings held during the year and at last Annual General Meeting as also number of directorships and chairmanships/ memberships of committee of each director held in various Companies as at March 31<sup>st</sup>, 2011 is:-

Name of Director/s	Category of Directorship	Designation	Attendance Record		No. of other directorships/ Committee memberships/ Chairmanships		
			Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Praveen Kumar Arora	Executive – Non Independent	Managing Director	9	Yes	15	1	Nil
Rekha Chawla	Independent – Non Executive	Director	8	Yes	1	1	Nil
Manohar Lal Bajaj	Independent – Non Executive	Director	9	Yes	2	2	2
Deepak Kumar	Independent – Non Executive	Director	9	Yes	16	1	Nil

#### AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 292-A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges. The Audit Committee inter-alia provides assurance to the Board on the existence and adequacy of an effective internal control system. The terms of reference of the Audit Committee include the following: -

- To hold discussion with Auditors periodically about:
  - Internal control system and compliance thereof.
  - Scope of audit including observations of the auditors.
  - Review of the quarterly, half yearly and annual financial statements before submission to the Board.
  - Any other matter as may be referred by the Board.
  
- The Audit Committee is further responsible for: -
  - Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - Reviewing with the management the annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and guidelines of stock exchange(s), major accounting entries, qualifications in draft audit reports, related party transactions & the going concern assumption.
  - Holding discussions with external auditors to ascertain any area(s) of concern.
  - Reviewing the Company's financial and risk management strategies.

The statutory auditors of the company are invited to attend the meetings whereat the Audit committee holds discussion with the statutory auditors on the quarterly account subjected to their Limited Review, yearly audit plan, matters relating to compliance with Accounting standards, their observations on matter arising out of annual audit and other related matters.

During the financial year 2010-11, the Audit Committee met four times as per the Paragraph II of Clause 49 of the Listing Agreement on the following dates:

- 1) 30<sup>th</sup> April, 2010
- 2) 30<sup>th</sup> July, 2010
- 3) 30<sup>th</sup> October, 2010
- 4) 31<sup>st</sup> January, 2011

All the members of Audit Committee attended the committee meeting.

#### SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

##### **(a) Terms of Reference:**

The Committee has been formed to look into redressal of shareholders / Investors complaints relating to transfer of shares, non receipt of balance sheet, non receipt of dividend and credit of shares in connection with the recent Public Issue of the Company or any other matters, as also to approve requests requiring issue of new share certificates.

##### **(b) Composition:**

The Committee comprises of Two Non Executive Directors namely **Smt. Rekha Chawla** (Chairman of the Committee) & **Sh. Deepak Kumar** and one executive Director **Sh. Praveen Kumar Arora**. The Committee met two times during the year and the attendance of the members at the meeting was as follows:

<b>Name of the Members</b>	<b>Status</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings attended</b>
<b>Smt. Rekha Chawla</b>	Chairman	2	2
<b>Sh. Praveen Kumar Arora</b>	Member	2	2
<b>Sh. Deepak Kumar</b>	Member	2	2

During the year, the Company had not received any complaints relating to transfer/transmission of shares, dematerialization of shares, issue of duplicate share certificates, non receipt of shares certificate after endorsement, non- receipt of Dividend allotment of shares, Refunds etc. from the shareholders/investors which were replied / resolved. There was no transfer of shares pending as on 31<sup>st</sup> March, 2011.

#### COMMITTEE OF DIRECTORS

##### **(a) Terms of reference**

The Committee has been constituted to take decisions in all matters in relation to the management of the Company except the matters required to be considered and approved by the Board of Directors under the provisions of the Companies Act, 1956.

**(b) Composition :**

The Committee comprises of One Executive Director **Sh. Praveen Kumar Arora** and Three Non Executive Directors namely **Sh. Deepak Kumar, Smt. Rekha Chawla & Sh. Manohar Lal Bajaj**. The Committee met one time during the year and the attendance of Members at the Meeting was as follows: -

<b>Name of the Members</b>	<b>Status</b>	<b>No. of Meeting held &amp; attended</b>
<b>Smt. Rekha Chawla</b>	Chairman	1
<b>Sh. Praveen Kumar Arora</b>	Member	1
<b>Sh. Deepak Kumar</b>	Member	1
<b>Sh. Manohar Lal Bajaj</b>	Member	1

DISINVESTMENT COMMITTEE

**(a) Terms of reference**

The Committee has been constituted to take decisions about disinvestment such as number of shares to be sold and to negotiate the price and other terms and conditions for sale of such investment and to take necessary steps in relation to the sale of investment.

**(b) Composition:**

The Committee comprises of Three Non Executive directors namely **Smt. Rekha Chawla** (Chairman of the Committee), **Sh. Deepak Kumar & Sh. Manohar Lal Bajaj** and one executive Director **Sh. Praveen Kumar Arora**. No meeting of Committee was held during the year.

REMUNERATION COMMITTEE

**(a) Terms of reference:**

The Committee has been constituted to exercise all powers specified in the Companies act, 1956 and the listing agreement with the Stock Exchange in relation to the appointment and remuneration of executive Directors.

**(b) Composition:**

The Committee Comprises of Three Non Executive Directors namely **Smt. Rekha Chawla, Sh. Deepak Kumar & Sh. Manohar Lal Bajaj** and one executive director **Sh. Praveen Kumar Arora**.

The Committee met one time during the year and the attendance of members at the meeting was as follows: -

Name of the Members	Status	No. of Meetings attended
<b>Smt. Rekha Chawla</b>	Chairman	1
<b>Sh. Praveen Kumar Arora</b>	Member	1
<b>Sh. Deepak Kumar</b>	Member	1
<b>Sh. Manohar Lal Bajaj</b>	Member	1

#### **DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR 2008 – 09.**

Mr. Praveen Kumar Arora, Managing Director, was paid a salary of Rs. 1,00,000/- (Rupees One Lacs only) during the Year 2010-11 and no other remuneration was paid to any other Non – executive director.

#### **REMUNERATION POLICY**

Remuneration of employees consists of basic salary and perquisites. Remuneration to employees is based on their qualification, experience, responsibilities held and their performance.

The objective of the remuneration policy is to motivate employees to excel in their Performance, recognize their contribution, retain talent in the organization and reward Merits.

#### GENERAL BODY MEETINGS

Details of location, time and date of the General Body Meetings held during the last three years is as follows: -

Nature of the Meeting.	Meeting Date	Location	Time
AGM	30 <sup>th</sup> September, 2010	120/500 (10), Lajpat Nagar, Kanpur-208005.	02:00 P.M.
AGM	30 <sup>th</sup> September, 2009	120/500 (10), Lajpat Nagar, Kanpur-208005.	09:30 P.M.
AGM	30 <sup>th</sup> September, 2008	120/500 (10), Lajpat Nagar, Kanpur-208005.	10:30 A.M.

No resolution has been passed through postal ballot.

#### DISCLOSURES

- a) There were no transactions of material nature with the promoters, directors or the management of their subsidiaries or relatives etc. potentially conflicting with company's interest at large, during the year. The register of contracts containing the transactions in which directors are interested is placed before the Board regularly for its approval.
- b) There were no instances of non-compliance by the Company on any matter related to capital markets during the last four years.

The Company did not get any qualification from its Auditors for its accounts for the year 2010-11.

### CEO / CFO CERTIFICATION

The Board has laid down the code of conduct for all Board members and senior management of the company. All Board members and senior management personnel shall affirm compliance with the code of conduct. As required under the Listing Agreement, a Certificate duly signed by Shri Praveen Kumar Arora, Managing Director was placed before the Board of Directors.

### MEANS OF COMMUNICATION

The Company ensures that its quarterly and annual financial results are sent to the concerned Stock Exchange immediately after the same have been considered and taken on record by the Board of Directors. The company also ensures that its quarterly financial results are normally published in Swatantra Bharat.

### GENERAL SHAREHOLDER INFORMATION

#### **Annual General Meeting:**

Date : 30<sup>th</sup> September, 2011  
Day : Wednesday  
Time : 09.30 A.M.  
Venue : 120/500 (10), Lajpat Nagar, Kanpur-208005

#### **Financial Calendar**

Financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March every year

#### **Compliance Certificate on Corporate Governance**

As required under the Listing Agreement, a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance by the Company has been obtained which is annexed to this Report.

**Book Closure Period:** - 24.09.2011 to 30.09.2011 (both days inclusive).

#### **Listing of Shares:**

The equity shares of the company is listed at

- 1) The U.P. Stock Exchange Limited, Padam Towers, 14/113, Civil Lines, Kanpur – 208001.
- 2) Ahemadabad Stock Exchange, Kamdhenu Complex Opp. Sahjanand College, Panjarapole, Ahmedabad – 380 015
- 3) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

**Share Price Data: -**

There has been no trading of shares at the The U.P. Stock Exchange Limited, Ahmedabad Stock Exchange and Bombay Stock Exchange Limited during the last financial year. Hence no data is available.

**Share Transfer System: -**

M/s. Maheshwari Datamatics Private Limited is acting as the Registrar and Transfer Agent of the Company. Share transfer requests are proceeded within 30 days of receipt by Registrar and Transfer Agent.

In compliance with the listing guidelines, every six months, the share transfer system is audited by a practicing Company Secretary and certificates to that effect are issued by him.

**Distribution of Shareholding**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 5000	42	68.9	49820	.50
5001-10000	1	1.6	9000	.09
10001-20000	6	9.8	95200	.94
20001-30000	2	3.3	59000	.59
30001-40000	2	3.3	77500	.77
40001-50000	NIL	NIL	NIL	NIL
50001-100000	3	4.9	211480	2.09
100001 Above	5	8.2	9598000	95.02
	61	100	10101000	100

**Dematerialization:**

The Company has entered into necessary agreements with NSDL and CDSL (Depositories) for dematerialization of shares held by the investors.

Demat ISIN No. in NSDL & CDSL: Equity Shares – INE98IC01019

As on 31<sup>st</sup> March 2011 89.61% shares are dematerialized.

**Address for correspondence:**

Company Office                      Sunil Kumar Gupta  
Compliance Officer  
120/500 (10), Lajpat Nagar, Kanpur-208005  
Email: - investors.svfl@rediffmail.com

Registrar & Transfer Agent      Maheshwari Datamatics Private Limited  
6, Mangoe Lane, IInd Floor,  
Kolkata -700001

**ANNEXURE TO THE DIRECTORS REPORT**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the members of Shreevatsaa Finance & Leasing Limited,

We have examined the compliance of conditions of Corporate Governance by Shreevatsaa Finance & Leasing Limited for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The Compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For Tandon & Mahendra  
Chartered Accountants

Place: Kanpur

Date: 03.09.2011

Sd/-  
Mahendra Nath  
(Partner)

M.No. 72826  
14/75, Civil Lines,  
Kanpur

**ANNEXURE TO THE DIRECTORS REPORT**

**DECLARATION TO CODE OF CONDUCT**

To,

The Members,  
Shreevatsaa Finance & Leasing Limited,

**Declaration by the Managing Director on code of conduct under clause 49 of the Listing Agreement.**

I hereby confirm that all Board Members and Senior Management personnel have conveyed their acceptance to the “Code of Business Conduct and Ethics for Board Members and Senior Management”.

Sd/-  
(Praveen Kumar Arora)  
Managing Director

Place: Kanpur  
Date: 03.09.2011



## ANNEXURE TO THE DIRECTORS REPORT

### MANAGING DIRECTOR'S CERTIFICATION

To,

The Board of Directors,  
Shreevatsaa Finance & Leasing Limited

I, the undersigned, in my capacity as Managing Director of the Shreevatsaa Finance & Leasing Limited ('the company'), to the best of my knowledge and belief certify that:

- a) I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2011 and based on our knowledge and belief, I state that:
  - 1) these statements do not contain any materially untrue or omit any material fact or contain any statement that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of internal controls, if any, of which I am aware and the steps taken or propose to be taken to rectify these deficiencies.
- d) I have indicated to the Auditors an Audit committee that:
  - 1) There has not been any significant changes in internal control over financial reporting during the year under reference.
  - 2) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - 3) I am not aware of any material instances during the year of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
(Praveen Kumar Arora)  
Managing Director

Place: Kanpur  
Date: 03.09.2011


To,  
The Members

**Shree Vatsaa Finance & Leasing Limited**

1. We have audited the attached Balance Sheet of M/s Shree Vatsaa Finance & Leasing Ltd. as at 31<sup>st</sup> March, 2011, the related Profit & Loss Account and Cash Flow Statement for the year ended on that date and annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
  - i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from the examination of those books;
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - v) On the basis of written representation received from the Directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors of the Company, we report that none of the Directors' is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011.
    - b) In the case of Profit & Loss Account, of the Loss of the company for the year ended on that date.
    - c) In the case of Cash Flow Statement, of the Cash Flow during the year ended on that date.

Date : 30.08.2011  
Place : Kanpur

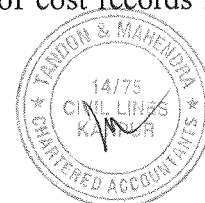
**For Tandon & Mahendra**  
Chartered Accountants  
(FR No. 003747C)

  
(Mahendra Nath)

Partner  
Mem. No. 72826

**ANNEXURE TO THE AUDITORS' REPORT**

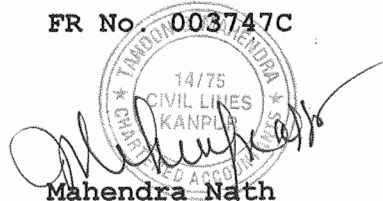
- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation provided and on examination of Books of Accounts, the company has not disposed off any part of fixed assets during the year.
- 2 (a) The inventory of shares 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. There were no discrepancies noticed on verification between the physical stocks and the book records.
- 3 (a) There are three parties covered U/s 301 of the Companies Act, 1956 to which the company has granted loan. The maximum amount involved during the year was Rs. 125.00 Lacs and year end balance of such parties was Rs. 105.00 Lacs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loan has been granted to party listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The party is repaying the loan as stipulated but as the loan has been given on interest free basis therefore there is no question of repayment of interest.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has not taken any Loans Secured or Unsecured from the other companies listed in the register maintained under section 301 of the Companies Act, 1956, hence clause iii (e) to (g) of paragraph 4 of the Companies (Auditors' Report) Order 2003 as amended by Companies (Auditors' Report) Order 2004 are not applicable.
- 4 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 and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5 (a) According to the information and explanations given to us, we are of the opinion that the transactions 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 of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 As per the information and explanation given to us and as per our examination of books of accounts, the company has not taken any deposit, hence there is no contravention of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- 7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records in respect of the



- 9 (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, sales tax, service tax, custom duty, excise duty and Cess were in arrears, as at 31.03.2011 for a period of more than six months from the date they became payable.
- 10 In our opinion, the company does not have any accumulated losses as at the year end. The company has incurred cash losses during the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the company has not taken any loan from the financial institution, bank or debenture holders.
- 12 According to the information and explanations given to us, the company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause xiii (a) to (d) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- 14 In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order, 2004 are not applicable to the company.
- 15 As per the Explanation and as per the records of the company, no guarantee has been given by the company for loans taken by others.
- 16 In our opinion and as per the records of the company, the company has not taken any term loans.
- 17 According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investments.
- 18 According to the information and explanations given to us and as per the records of the company, no allotment of preferential shares have been made during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 During the period covered by our audit report, the company has not issued any debentures requiring report under this clause.
- 20 No public issue has been made by the company during the financial year.
- 21 According to 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.

Dated : 30<sup>st</sup> August, 2011  
Place : Kanpur

For Tandon & Mahendra  
Chartered Accountants  
FR No. 003747C

  
Mahendra Nath  
Partner  
Mem No. 72826

14/75  
CIVIL LINES  
KANPUR

# M/S SHREE VATSAA FINANCE & LEASING LIMITED


## BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	As at 31st, March, 2011	As at 31st, March, 2010
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHARES HOLDERS FUNDS</u></b>			
Share Capital	A	100,950,000.00	100,950,000.00
Reserves & Surplus	B	34,409,202.28	38,137,218.45
<b>DEFERRED TAX LIABILITY</b>		<b>7,472.00</b>	<b>8,805.00</b>
<b>TOTAL (Rs.)</b>		<b>135,366,674.28</b>	<b>139,096,023.45</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	C	416,116.00	416,116.00
Depreciation		360,831.00	351,182.00
Net Block		<b>55,285.00</b>	<b>64,934.00</b>
<b>Deferred Tax Asset</b>		-	-
<b>Investments</b>	D.	<b>33,452,440.44</b>	<b>38,286,480.77</b>
<b>Current Assets, Loan &amp; Advances:</b>			
<b>Current Assets</b>			
Sundry Debtors	E	198,000.00	-
Cash & Bank Balances	F	4,376,674.66	4,731,831.80
<b>Loans &amp; Advances</b>	G	<b>97,851,166.18</b>	<b>96,759,944.88</b>
		<b>102,425,840.84</b>	<b>101,491,776.68</b>
<b>Less:</b>			
<b>Current Liabilities and Provisions</b>			
Current Liabilities	H	566,892.00	623,620.00
Provisions	I	-	123,548.00
		<b>566,892.00</b>	<b>747,168.00</b>
<b>Net Current Assets</b>		<b>101,858,948.84</b>	<b>100,744,608.68</b>
<b>TOTAL (Rs.)</b>		<b>135,366,674.28</b>	<b>139,096,023.45</b>
Statement of Significant Accounting Policies and notes forming part of Accounts	P		

**Auditor's Report**


As per our separate report of even date annexed.

For Tandon & Mahendra  
Chartered Accountants



**Mahendra Nath**  
(Partner)  
M. No. 72826  
Place : Kanpur  
Dated : 30.08.2011

For Shree Vatsaa Finance & Leasing Ltd.

  
(Director)

ML  
(Director)




**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011**

PARTICULARS	SCHEDULE	As at 31st,	As at 31st,
		March, 2011	March, 2010
<b>INCOME:</b>			
Operating Income	J	-	2,554,105.34
Income from trade investments	K	57,558.00	46,558.13
Other Incomes	L	32,001.00	82,098.00
<b>TOTAL (Rs.)</b>		<b>89,559.00</b>	<b>2,682,761.47</b>
<b>EXPENDITURE:</b>			
Personnel Cost	M	1,583,019.00	1,944,892.00
Administrative & Other Expenses	N	2,284,469.17	317,758.62
<b>TOTAL (Rs.)</b>		<b>3,867,488.17</b>	<b>2,262,650.62</b>
Profit Before Depreciation & Tax		<b>(3,777,929.17)</b>	<b>420,110.85</b>
Depreciation	O	9,649.00	11,652.00
Profit After Depreciation		<b>(3,787,578.17)</b>	<b>408,458.85</b>
Less: Provision for Taxation for Current Year			
Add/(Less)			
Current Tax		-	123,548.00
Deferred Tax		(1,333.00)	74,164.00
MAT Credit Aailed		58,229.00	-
Profit After Taxation		<b>(3,728,016.17)</b>	<b>210,746.85</b>
<b>Add:Balance Brought Forward From Last Year</b>		<b>28,905,825.40</b>	<b>28,737,228.55</b>
Profit available for Appropriation		25,177,809.23	28,947,975.40
<b>APPROPRIATION:</b>			
Amount transferred to Special Reserve Fund		-	42,150.00
Balance Carried Over To Balance Sheet		<b>25,177,809.23</b>	<b>28,905,825.40</b>
<b>Earning per Share</b>			
Basic earnig per share		(0.37)	0.02
Statement of Significant Accounting Policies and notes forming part of Accounts	P		

**Auditor's Report**


As per our separate report of even date annexed.

For **Tandon & Mahendra**  
Chartered Accountants

  
**Mahendra Nath**  
(Partner)

M. No. 72826  
Place:: Kanpur  
Dated : 30.08.2011

For **Shree Vatsaa Finance & Leasing Ltd.**

  
(Director)

  
(Director)



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31st, March, 2011	As at 31st, March, 2010
<b>Schedule-A: Share Capital</b>		
Authorised Capital:		
1,09,00,000 Equity Shares of Rs. 10/ each (P.Y 1,09,00,000 Equity Shares of Rs. 10/- each)	109,000,000.00	109,000,000.00
10,000 Preference Shares of Rs.100/ each (P.Y 10,000 Preference Shares of Rs. 10/- Each)	1,000,000.00	1,000,000.00
<b>Total:</b>	<b>110,000,000.00</b>	<b>110,000,000.00</b>
<b>Issued Subscribed &amp; Paidup Capital:</b>		
1,01,00,000 Equity Shares of Rs.10/ each fully paidup (P.Y 1,01,00,000 Equity Shares of Rs. 10/- Each)	101,000,000.00	101,000,000.00
Less: Calls in arrears by others	50,000.00	50,000.00
<b>Total:</b>	<b>100,950,000.00</b>	<b>100,950,000.00</b>
<b>Schedule-B: Reserves &amp; Surplus</b>		
Special Reserve Fund	9,231,393.05	9,231,393.05
Profit & Loss Account	25,177,809.23	28,905,825.40
<b>Total:</b>	<b>34,409,202.28</b>	<b>38,137,218.45</b>

**Schedule-D: Investments**

**Long Term (Trade)**

**No.of Shares  
& Units**

**Properties**

Prop. At H-89, South Extention Part I, New Delhi

13,925,500.00	13,925,500.00
<b>13,925,500.00</b>	<b>13,925,500.00</b>

**Quoted Equity Shares (Fully paidup)**

Balasure Alloys Ltd. (80000) (Mkt Value as on 31.03.2011 Rs.8,74,000.00, P.Y Rs.1,828,000.00)	40000	1,013,967.65	3,461,310.13
Firstsource Solutions Ltd. (2000) (Mkt Value as on 31.03.2011, Rs. 36,000.00, P.Y Rs.57,400.00)	2000	118,524.44	118,524.44
House of Pearl Fashion Ltd. (1100) (Mkt Value as on 31.03.2011,Rs.Nil, P.Y Rs.86,680.00)	Nil	-	605,000.00
Mundra Port & Special Economic Zone Ltd. (1000) (Mkt Value as on 31.03.2011, Rs.Nil, P.Y.Rs.7,89,600.00)	Nil	-	684,537.64
Arrow Textiles Ltd. (200) (Mkt. Value as on 31.03.2011 Rs.Nil, P.Y. Rs.1,630.00)	Nil	-	4,139.96
Cubex Tubing Limited (5999) (Mkt. Value as on 31.03.2011,Rs.Nil, P.Y.Rs.102282.95)	Nil	-	408,411.18
Divis Laboratories Ltd. (400) (Mkt. Value as on 31.03.2011,Rs.Nil, P.Y.Rs.2,71,320.00)	Nil	-	334,777.56
GTL Infrastructure Ltd. (13000) (Mkt. Value as on 31.03.2011,Rs.4,85,550.00, P.Y. Rs.5,44,050)	13000	1,180,802.00	1,180,802.00
Jayaswal Neco Ltd. (5000) (Mkt. Value as on 31.03.2011,Rs.Nil, P.Y.Rs.211,000.00)	Nil	-	211,915.62
Jhagadia Copper Ltd. (20000) Mkt. Value as on 31.03.2011,Rs.45,400.00, P.Y. Rs.89,600.00)	20000	225,619.91	225,619.91
Media Video Ltd. (6000) Mkt. Value as on 31.03.2011, Rs.Nil, P.Y.Rs.125,100.00)	Nil	-	483,475.37

*[Handwritten Signature]*



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## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

		As at 31st, March, 2011	As at 31st, March, 2010
Power Grid Corporation Ltd. (6000)	Nil	-	378,991.06
Mkt. Value as on 31.03.2011, Rs. Nil, P. Y. Rs. 642,900.00)			
Reliance Capital Ltd. (100)	Nil	-	85,954.70
Mkt. Value as on 31.03.2011 Rs. Nil, P. Y. Rs. 75,605.00)			
Reliance Power Ltd. (3011)	3761	1,393,523.69	1,080,115.74
Mkt. Value as on 31.03.2011, Rs. 4,87,801.70, P. Y. Rs. 449,993.95)			
Reliance Natural Res. Ltd. (3000)	Nil	-	313,407.95
Mkt. Value as on 31.03.2011, Rs Nil, P. Y. Rs. 186,750.00)			
Suven Life Sciences Ltd. (10000)	Nil	-	320,990.18
Mkt. Value as on 31.03.2011, Rs. Nil, P. Y. Rs. 320,500.00)			
GMR Infrastructure Ltd. ( 1000 )	1000	77,314.02	77,314.02
Mkt. Value as on 31.03.2011, Rs. 40,700.00 , P. Y. Rs. 62,700.00)			
NHPC Ltd. ( 54010 )	54010	2,350,740.03	2,350,740.03
Mkt. Value as on 31.03.2011, Rs. 13,69,153.50 , P. Y. Rs. 1,644,604.50)			
India Cements Ltd. ( 1000 )	Nil	-	170,504.58
Mkt. Value as on 31.03.2011, Rs. Nil, P. Y. Rs. 131,750.00)			
Reliance Industries Ltd. ( 436 )	436	667,048.70	667,048.70
Mkt. Value as on 31.03.2011, Rs. 4,56,840.80 , P. Y. Rs. 468,373.00)			
<b>Total Quoted Investment</b>		<b>7,027,540.44</b>	<b>13,163,580.77</b>

**Unquoted Equity Shares (Fully paidup)**

Dream Buildcon Pvt Ltd (Nil)	150000	1,500,000.00	-
Wellgrow Infotech Pvt. Ltd. (254000)	254000	2,540,000.00	2,540,000.00
Lancet Infocom Pvt. Ltd. (900)	0	-	180,000.00
ASM Realtors Pvt. Ltd. (900)	0	-	18,000.00
PSS Agro & Investments Pvt. Ltd. (70010)	70010	3,500,500.00	3,500,500.00
Shivansh Land Developers Pvt. Ltd. (5000)	5000	50,000.00	50,000.00
Tapasya Projects Ltd. (507800)	507800	4,662,400.00	4,662,400.00
Yashi Buildcon Pvt. Ltd. (5000)	5000	50,000.00	50,000.00
Adonis Travels Pvt. Ltd. (19650)	19650	196,500.00	196,500.00
<b>Total:</b>		<b>12,499,400.00</b>	<b>11,197,400.00</b>
<b>Total Investments:</b>		<b>33,452,440.44</b>	<b>38,286,480.77</b>

**Schedule-E: Sundry Debtors****(Unsecured Considered Good)**

Debts Outstanding for a period exceeding six months

Other debts

**Total:**

-

198,000.00

198,000.00

**Schedule-F: Cash & Bank Balances**

Cash in Hand

659,014.10

567,368.10

**Balances with Scheduled Banks**

On Current Account:

3,717,660.56

4,164,463.70

Deposits Account:

-

4,376,674.66

4,731,831.80



*J. K. Kulkarni*



MC



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

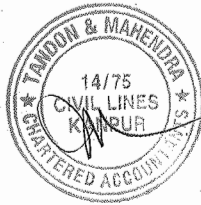
	As at 31st, March, 2011	As at 31st, March, 2010
<b>Schedule-G: Loans &amp; Advances</b>		
<b>(Unsecured Considered Good)</b>		
Advances Recoverable in Cash or Kind or value to be received	97,851,166.18	96,759,944.88
<b>Total:</b>	<b>97,851,166.18</b>	<b>96,759,944.88</b>
<b>Schedule-H: Current Liabilities</b>		
Due to SSI units		
Other sundry creditors	231,300.00	231,300.00
Sundry creditors for expenses	335,592.00	392,320.00
<b>Total:</b>	<b>566,892.00</b>	<b>623,620.00</b>
<b>Schedule-I: Provisions</b>		
Current Tax	-	123,548.00
<b>Total:</b>	<b>-</b>	<b>123,548.00</b>
<b>Schedule-J: Operating Income</b>		
Profit from Settlement of Transaction	-	2,554,105.34
<b>Total:</b>	<b>-</b>	<b>2,554,105.34</b>
<b>Schedule-K: Income from trade investments</b>		
Div. from Companies / Mutual Funds	57,558.00	21,065.10
Profit on sale of Investments	-	25,493.03
<b>Total:</b>	<b>57,558.00</b>	<b>46,558.13</b>
<b>Schedule-L: Other Incomes</b>		
Interest on FDR Axis Bank (TDS Rs-3,201/- P.Y Rs.10,309/-)	32,001.00	82,098.00
<b>Total:</b>	<b>32,001.00</b>	<b>82,098.00</b>
<b>Schedule-M: Personnel Cost</b>		
Remuneration to Director	1,200,000.00	1,200,000.00
Salary to Staff	364,259.00	733,537.00
Staff Welfare	18,760.00	11,355.00
<b>Total:</b>	<b>1,583,019.00</b>	<b>1,944,892.00</b>



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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st, March, 2011	As at 31st, March, 2010
<b>Schedule-N:</b>		
<b>Administrative &amp; Other Expenses</b>		
Advertisement	25,588.00	25,588.00
<b>Auditor's Remuneration:-</b>		
Audit Fees (P.Y Rs.16,545.00)	18,200	
Income Tax Matters (P.Y Rs. 5,515.00)	6,066	
Company Law Matters (P.Y Rs. 5,515.00)	6,067	
Bank Charges	551.50	3,027.94
Books & Periodicals	4,175.00	4,590.00
D-Mat Charges	2,633.13	4,234.89
Fee & Subscription	750.00	750.00
Legal Expenses	4,740.00	2,300.00
Listing Fees	148,320.00	154,462.00
Miscellaneous Expenses	5,540.00	5,058.54
Office Maintenance	19,990.00	20,210.00
Other Expenses	24,675.63	10,151.42
Printing & Stationery	16,151.00	16,074.00
Intt.charges	173.65	21,449.83
Postage & Telegram	1,498.00	2,664.00
Loss on Settlement of Transaction	11,355.00	-
Loss on Sale of Investments	1,979,179.26	-
Security Transaction Tax	8,816.00	19,623.00
<b>Total:</b>	<b>2,284,469.17</b>	<b>317,758.62</b>
<b>Schedule-O:</b>		
<b>Depreciation</b>		
Depreciation on fixed assets	9,649.00	11,652.00
	<b>9,649.00</b>	<b>11,652.00</b>



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M/S SHREE VATSAA FINANCE & LEASING LIMITED

Schedule-C, Fixed Assets, forming part of Balance Sheet as at 31st March, 2011

NAME OF ASSETS	GROSS BLOCK AS ON 01.04.2010	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2011	DEPRECIATION UPTO 01.04.2010	DEPRECIATION FOR THE PERIOD	DEDUCTION DURING THE YEAR	DEPRECIATION UPTO 31.03.2011	NET BLOCK AS ON 31.03.2011	NET BLOCK AS ON 31.03.2010
COMPUTERS	181,175.00	-	-	181,175.00	179,050.00	850.00	-	179,900.00	1,275.00	2,125.00
EPABX SYSTEM	26,330.00	-	-	26,330.00	20,986.00	743.00	-	21,729.00	4,601.00	5,344.00
AIR CONDITIONER	20,040.00	-	-	20,040.00	11,506.00	1,187.00	-	12,693.00	7,347.00	8,534.00
OFFICE EQUIPMENTS	16,450.00	-	-	16,450.00	11,196.00	731.00	-	11,927.00	4,523.00	5,254.00
REFRIGERATOR	8,310.00	-	-	8,310.00	6,114.00	305.00	-	6,419.00	1,891.00	2,196.00
FAX MACHINE	13,500.00	-	-	13,500.00	10,688.00	391.00	-	11,079.00	2,421.00	2,812.00
FURNITURE	9,631.00	-	-	9,631.00	8,140.00	270.00	-	8,410.00	1,221.00	1,491.00
PHOTOSTATE	128,800.00	-	-	128,800.00	94,113.00	4,825.00	-	98,938.00	29,862.00	34,687.00
TEA MACHINE	11,880.00	-	-	11,880.00	9,389.00	347.00	-	9,736.00	2,144.00	2,491.00
<b>TOTAL</b>	<b>416,116.00</b>	<b>-</b>	<b>-</b>	<b>416,116.00</b>	<b>351,182.00</b>	<b>9,649.00</b>	<b>-</b>	<b>360,831.00</b>	<b>55,285.00</b>	<b>64,934.00</b>
Previous Year	<b>416,116.00</b>	<b>-</b>	<b>-</b>	<b>416,116.00</b>	<b>339,530.00</b>	<b>11,652.00</b>	<b>-</b>	<b>351,182.00</b>	<b>64,934.00</b>	<b>76,586.00</b>

For Tandon & Mahendra  
Chartered Accountants



For Shree Vatsaa Finance & Leasing Ltd.

*(Signature)*  
Director



## Accounting Policies

1. **ACCOUNTING CONVENTION:**

The Accounts are prepared under the historic cost convention on Going concern concept as per the mandatory accounting standards. The Company generally follows mercantile system of accounting and recognises income & expenditure on accrual basis except those with significant uncertainties.

2. **FIXED ASSETS:**

Fixed assets are stated at cost less accumulated depreciation.

3. **DEPRECIATION:**

Depreciation is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on addition/deletion of assets during the year is provided on pro-rata basis.

Assets costing below Rs.5000/- are depreciated at 100%.

4. **SALES:**

Sales are exclusive of any duties or taxes levied by the Central Government, State Government or any Local Authority.

5. **INVENTORIES:**

Inventories of shares is valued at cost.

Inventories have been taken, valued and certified by the management.

6. **INCOME TAX:**

**Current Tax:** Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the said liabilities are accepted by the Company.

**Deferred Tax:** The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7. **INVESTMENTS:**

Long Term and Unquoted Current Investments are stated at cost & Quoted Current Investments at lower of cost or market price . Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary in the opinion of the management.

8. **IMPAIRMENT OF ASSETS:**

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

The policies not specifically mentioned above are in agreement with the Accounting Standards issued by the Institute of Chartered Accountants of India.



**Notes on Accounts**

1. Contingent Liabilities : Nil (Prev Year : Nil)
2. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities are made.
3. Loans and advances include Rs. 105.00 Lacs (P.Y Rs. 20.00 Lacs) advances to a company in which the director of the Company is a director.
4. As per the information available with the Company, no amount is due to Small Scale Ancillary Industrial Undertakings as at 31st March, 2011.
5. Gratuity liability is not provided, as none of the employees have completed the qualifying period of service.
6. The Company is predominantly engaged in the business of NBFC, and there is no business or geographical segment with in the meaning of accounting standard 17 "Segment Reporting".
7. **Related Party Disclosure:**  
 As per Accounting Standard 18 "Related Party Disclosure", issued by the ICAI, the disclosures of transactions with the related parties are as follows:

Sr. No.	Name of the party	Relationship
1	Praveen Kumar Arora	Key Management Personnel

The Company took the following transactions with the related party during the year:

Sr No.	Name of the Party	Transaction	Amount (Rs.)
1	Praveen Kumar Arora	Directors Remuneration	12.00 Lacs (P.Y Rs. 12.00 Lacs)

8. **Deferred Tax Assets / Liability**  
 Consequent to the Accounting Standard-22 on " Accounting for Taxes on Income", the deferred tax credit/(debit) of Rs. 1,333/- cr (P.Y Rs. 74,164 (dr)) is recognized in the Profit & Loss Account. Deferred Tax Asset (As shown in the braket below) and deferred tax liability has been worked out as under:

	Year ended 31.03.2011	Year ended 31.03.2010
Fixed Assets	7,472.00	8,805.00
Brought Forward Losses & Depreciation	Nil	Nil
<b>TOTAL</b>	<b>7,472.00</b>	<b>8,805.00</b>

9. **EARNING PER SHARE:**  
 Earning per share has been calculated as under:

	Year 31.03.2011	Year 31.03.2010
Profit/(Loss) After Tax	(3728016.17)	210746.85
Weighted Average No. of equity share	10100000	10100000



**Notes on accounts for the year ended on 31-03-2011**

**Schedule No. - P**


Basic Earning Per Share (0.37) 0.02

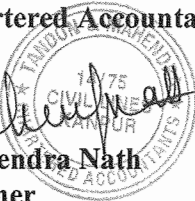
10. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956, is being furnished separately at Annexure A.
11. Previous year figures have been regrouped, rearranged or recasted wherever considered necessary.
12. Schedule A to P form integral part of the accounts and are duly authenticated.

Place: Kanpur  
Date : August 30<sup>th</sup>, 2011

For Tandon & Mahendra  
Chartered Accountants

For SHREE VATSAA FINANCE  
& LEASING LTD.

  
Mahendra Nath  
Partner



  
Director

  
Director



**'ANNEXURE-A'**

1. The information required by paras 3 and 4 of part II of Schedule VI to the Companies Act, 1956 is as under:

**a) SALES AND STOCK PARTICULARS OF SHARES**

Item	Op. Stock		Purchase		Sales		Cl. Stock	
	Qty	Value Rs.	Qty	Value Rs.	Qty	Value Rs.	Qty	Value Rs.
Current Year	2000	Nil	Nil	Nil	Nil	Nil	2000	Nil
Previous Year	2000	Nil	Nil	Nil	Nil	Nil	2000	Nil

2. VALUE OF INDIGENOUS AND IMPORTED SPARES CONSUMED

Nil Nil

4. EARNING IN FOREIGN CURRENCY

Nil Nil

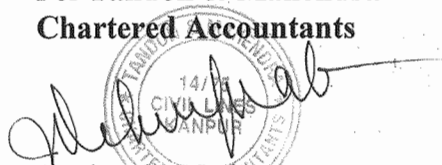
5. EXPENDITURE IN FOREIGN CURRENCY

Nil Nil


6. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY

Nil Nil

**For Tandon & Mahendra  
Chartered Accountants**

  
(Mahendra Nath)  
Partner

**For Shree Vatsaa Finance & Leasing Ltd.**

  
Director

  
Director



# Shree Vatsaa Finance & Leasing Limited

Cash Flow Statement For the Year Ended on 31st, March, 2011

Particulars	Amount (Rs.) 2010-2011	Amount (Rs.) 2009-2010
<b><u>A Cash Flow from Operating Activities</u></b>		
Net Profit Before Tax	(3,787,578.17)	408,458.85
Adjustments For:		
Depreciation	9,649.00	11,652.00
(Profit)/Loss on Sale of Short Term Investments	(120,852.58)	(25,493.03)
(Profit)/Loss on Sale of Long Term Investments	2,100,031.84	-
Amortisation of Expenses	-	-
Interest Income	(32,001.00)	(82,098.00)
Dividend Income	(57,558.00)	(21,065.10)
Amount written off	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(1,888,308.91)</b>	<b>291,454.72</b>
Adjustments For:		
(Increase)/Decrease in Stocks	-	-
(Increase)/Decrease in Loans & Advances	(1,091,221.30)	8,899,116.84
(Increase)/Decrease in Other Assets	(198,000.00)	2,696.64
Increase/ (Decrease) Current Liabilities	(56,728.00)	139,260.00
Amount written off	-	-
<b>Cash Generated from Operations</b>	<b>(3,234,258.21)</b>	<b>9,332,528.20</b>
Adjustments For:		
Direct Taxes Paid	65,319.00	-
Provisions for Taxes	-	-
<b>Net Cash From Operating Activities (A)</b>	<b>(3,299,577.21)</b>	<b>9,332,528.20</b>
<b><u>B Cash Flow From Investing Activities</u></b>		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Net Sale/(Purchase) of Investments	2,854,861.07	(7,299,650.16)
Interest Received	32,001.00	82,098.00
Dividend Received	57,558.00	21,065.10
<b>Net Cash From Investing Activities (B)</b>	<b>2,944,420.07</b>	<b>(7,196,487.06)</b>
<b><u>C Cash Flow From Financing Activities</u></b>		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Short Term Loans & Advances	-	-
Issue Expenses	-	-
<b>Net Cash From Financing Activities ( C )</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(355,157.14)</b>	<b>2,136,041.14</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>4,731,831.80</b>	<b>2,595,790.66</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>4,376,674.66</b>	<b>4,731,831.80</b>

Notes:(1) Figures in Brackets represents outflows.

For Shree Vatsaa Finance & Leasing Ltd.

PLACE:KANPUR  
DATED : 30.08.2011

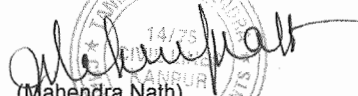
  
 (Director)
   
 (Director)

**Auditor's Certificate**

We have examined the attached Cash Flow Statement of M/s Shree Vatsaa Finance & Leasing Ltd. for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of the Listing Agreement Clause 32 with Guwahati Stock Exchange and is based on and in and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company Company covered by our Report to the members of the Company.

For Tandon & Mahendra  
Chartered Accountants

PLACE:KANPUR  
DATED : 30.08.2011

  
 (Mahendra Nath)  
 Partner  
 Memb. No. 72826



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE**  
**YEAR ENDED 31.03.2011**

**1. Registration Details**

Registration No. (CIN) : L45201UP1986PLC008364  
State Code : 20  
Balance Sheet Date : 31<sup>st</sup> March, 2011

**2. Capital Raised During the year (Amount in Rs. Thousand)**

Public Issue : Nil  
Rights Issue : Nil  
Bonus Issue : Nil  
Private Placements (inc. premium) : Nil

**3. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)**

Total Liabilities : 135366.67  
Total Assets : 135366.67

**Sources of Funds**

Paid up Capital : 100950.00  
Reserve & Surplus : 34409.20  
Secured Loans : Nil  
Unsecured Loans : Nil  
Deferred Tax Liabilities : 7.47

**Application of Funds**

Net Fixed Assets : 55.29  
Investments : 33452.44  
Net Current Assets : 101858.94  
Misc. Expenses : Nil  
Deferred Tax Asset : Nil  
Accumulated Losses : Nil

**Performance of the Company (Amount in Rs. Thousand)**

Turnover and Other Incomes : 89.56  
Total Expenditure : 3877.14  
Profit before Tax : (3787.58)  
Profit after Tax : (3728.02)  
Dividend Yield : (0.37) Per Share

**4. Generic names of three principle product/services of Company (as per monetary term)**

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Item Code No. : Nil  
Product Description : N.B.F.C

**Auditors Report:**

As per our separate report of even date attached.

For Shree Vatsaa Finance & Leasing Ltd.

Director

Place: Kanpur

Date : 30-08-2011

Director

