

SARAT LEASING AND FINANCE LIMITED

SIXTEENTH ANNUAL REPORT
2009 - 2010

SARAT LEASING AND FINANCE LIMITED

BOARD OF DIRECTORS

VIJAY KUMAR JATIA
GAURI JATIA
SIDHANT JATIA
MUDIT JATIA
AJIT P WALWAIKAR

BANKER

PUNJAB NATIONAL BANK

AUDITORS

M/S. M.L. SHARMA & COMPANY

REGISTERED OFFICE

MODERN CENTRE,
SANE GURUJI MARG
MAHALAXMI,
MUMBAI - 400 011

SARAT LEASING AND FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Sarat Leasing and Finance Limited will be held at the Registered Office of the Company, viz. Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011 on Monday, the 6th September, 2010 at 05.15 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Gauri Jatia, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Sd/-
Vijay Kumar Jatia
Chairman

Mumbai, dated: 8th June, 2010.
Registered Office:
Modern Centre,
Sane Guruji Marg,
Mahalaxmi,
MUMBAI 400 011

NOTES

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

SARAT LEASING AND FINANCE LIMITED

DIRECTORS' REPORT

To
The Members,

The Directors present the Sixteenth Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS			
	Year ended		Year ended
	31.03.2010		31.03.2009
	Rupees		Rupees
Gross Profit/(Loss) before interest, depreciation & taxes	48,31,914		1,09,68,641
Less: Interest	-		-
Profit/(Loss) before tax	48,31,914		1,09,68,641
Less: Provision for taxation	3,50,000		9,75,000
MAT Credit Entitlements	-		(7,06,968)
Profit/(Loss) after tax	44,81,914		1,07,00,609
Income tax for earlier years	9,599		146
MAT Credit Entitlements for earlier years	(35,979)		-
Surplus brought forward	1,73,26,116		66,25,361
Profit available for Appropriation	2,17,81,650		1,73,26,116
Appropriation			
Transferred to Capital Redemption Reserve	56,00,000		-
Balance carried to Balance Sheet	1,61,81,650		1,73,26,116
Basic/Diluted Earning per Share	3.59		8.56

DIVIDEND

In order to strengthen the internal resources of the Company, your Directors propose to carry forward the balance sum of Rs. 1,61,81,650/- and, therefore, do not recommend any dividend on both Equity Shares for the year ended 31st March, 2010.

CORPORATE EVENTS

Share Capital

During the current year the Company has redeemed 56,000 10% Redeemable Non-Cumulative Preference Shares of Rs.100/- each fully paid up out of the profits of the Company.

During the year the Object Clause of the Company was changed by inserting Clause 85 in the Memorandum of Association of the Company for Trading in Futures and Derivatives for which the Extra-Ordinary General Meeting was convened on 9th September, 2008.

SARAT LEASING AND FINANCE LIMITED

Once again the Object Clause of the Company was changed by amending the Main Object Clause whereby Trading in Futures & Derivatives was shifted to the Main Objects of the Company pursuant to which the name of the Company was also changed from Sarat Leasing And Finance Limited to **SARAT DERIVATIVES & FUTURES LIMITED** to reflect the main Objects of the Company for which the Extra-Ordinary General Meeting was convened on 30th January, 2009, However, considering the current market scenario the Board decided that the Company should continue with its Investment business and should not pursue its Business of Trading in Derivatives & Futures so the name of the Company was once again changed from Sarat Derivatives & Futures Limited TO **SARAT LEASING AND FINANCE LIMITED**.

DIRECTORS

Smt. Gauri Jatia, Directress of the Company, retires by rotation and being eligible offers herself for re-appointment.

Shri. Mudit Jatia & Shri. Ajit P Walwaikar are appointed as Director w. e. f. 4th June, 2009 and were appointed as rotational directors in the last AGM.

AUDITORS

Members are requested to appoint Auditors and fix their remuneration. The present Auditor M/s. M. L. Sharma & Company, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting, but being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

The Company has not accepted any "deposit" from the public during the year under review.

PARTICULARS OF EMPLOYEES

There are no employees receiving remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 during the year under review, therefore the Companies (Particulars of Employees) Rules, 1975 do not apply to the Company.

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

Your Company being basically a financial and investment Company, the provisions of Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 do not apply to the Company.

The Company has not entered into any foreign collaboration for import of technology. The Company has no earning or outgo of foreign exchange during the year under review.

COMPLIANCE CERTIFICATE

Compliance Certificate of the Secretary in whole-time practice under Section 383A of the Companies Act, 1956 in respect of the financial year ended on 31st March, 2010 is annexed hereto.

SARAT LEASING AND FINANCE LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors pursuant to Section 217 (2AA) state-

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- ii) 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 31st March, 2010 and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

For and on behalf of Board of Directors

SD/-

Place: Mumbai
Date: 8th June , 2010

V. K. Jatia
Chairman

Registered Office:
Modern Centre,
Sane Guruji Marg,
Mahalaxmi,
Mumbai - 400 011.

AUDITOR'S REPORT

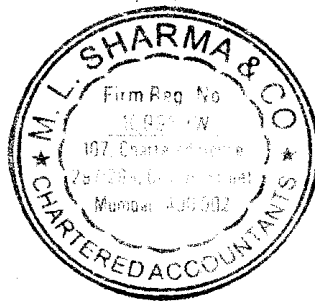
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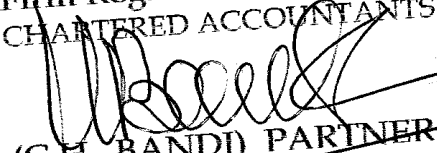
The Board of Directors
SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
101, K. Khadye Marg,
Mahalaxmi,
Mumbai - 400 011

As required by the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions 1998, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of the audit for the year ended 31st March, 2010 we are to state that :

- I. The company has received a certificate of Registration under section 45-1A of the Reserve Bank of India Act, 1934 (2 of 1934) from the Reserve Bank of India, Mumbai vide Registration No. 13.00168 dated 02nd March, 1998 to carry as the business of a Non-Banking Financial Company..
- II. The Board of Directors has passed a resolution for the non-acceptance of public deposits on 15th April, 2010.
- III. The Company has not accepted any public deposits during the financial year ended 31st March, 2010.
- IV. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

Place : Mumbai
Dated : - 8 JUN 2010



For M. L. SHARMA & CO.
Firm Reg. No. 109963W
CHARTERED ACCOUNTANTS

(C. H. BANDI) PARTNER
M. NO. 5385

AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SARAT LEASING AND FINANCE LIMITED

(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)

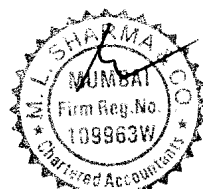
We have audited the attached Balance Sheet of SARAT LEASING AND FINANCE LIMITED (FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED) as at 31st March, 2010 and the annexed profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 a 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 management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of the written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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 explanations given to us, the said accounts read together with notes thereon, appearing in schedule of Accounting Policies & Notes on Accounts give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;and
- b. In the case of the Profit and Loss account, of the Profit for the year ended on that date; and
- (vii) As required under Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998, a separate report has been submitted to the Board of Directors of the Company on the matters specified in paragraph 3 & 4 of the Directions.

Place : Mumbai
Date :- 8 JUN 2010



For M. L. SHARMA & CO.
Firm Reg. No. 109963W
CHARTERED ACCOUNTANTS

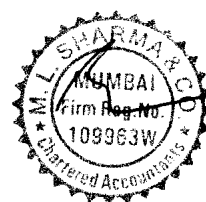

(C. H. BANDI) PARTNER
M. No. 5385

ANNEXURE TO THE AUDITORS REPORT

Annexure referred to in the Auditors' Report to the Shareholders of SARAT LEASING AND FINANCE LIMITED (FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED) on the Accounts for the year ended 31st March, 2010.

- 1) The Company does not own any fixed assets during the financial year under review. Therefore comments regarding maintenance of proper records, Physical verification of Fixed Assets by the management and disposal off major part of Fixed Assets are not required.
- 2) There were no stock of goods during the year with the Company, hence, comments on its physical verification, valuations and its reasonableness are not required;
- 3a) The Company has granted unsecured loans to 3 parties listed in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3,62,55,000/- and the year end balance of loan granted to such parties was Rs. 1,31,00,000/-.
- 3b) In our opinion, the rate of interest wherever applicable and other terms & conditions on which loans have been granted to such party listed in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie, pre-judicial to the interest of the Company.
- 3c) Payment of Principal amount and interest are regular wherever stipulated.
- 3d) In respect of loans granted to such party listed in the register maintained under section 301 of the Companies Act, 1956, these are repayable on demand and hence the question of overdue amounts does not arise.
- 3e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and as such provisions of sub-clause iii) (f) & (g) are not applicable.
- 4) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control systems, commensurate with the size of the Company and nature of the business for the purchase of inventory, fixed assets & for the sale of goods. During the course of audit, we have not observed any continuing failure to correct any major weakness in internal control.
- 5) In our opinion and explained to us there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contract or arrangements entered in the register required to be maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.5,00,000/- or more in respect of each party;

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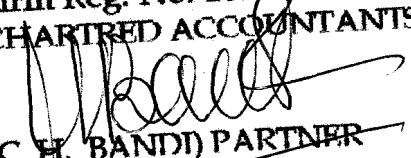
- 6) In our opinion and according to the explanations given to us, the company has not accepted any deposits within the meaning of section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 during the year.
- 7) We have been informed that, as the Company's internal control system ensures reasonable checking of its financial and other records the Company has not yet started a formal Internal Audit Department.
- 8) As informed to us, the Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company ;
- 9a) The Company have generally been regular in depositing Income tax, Sales Tax, Wealth Tax, Service Tax , Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31st March, 2010 for a period exceeding six months from the date they became payable. As explained to us, the provisions of the Provident Fund and the Employees State Insurance Act, 1948 are not applicable to the Company.
- b) According to the information and explanations given to us, and as per books and records examined by us there are no disputed amount payable for Income tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and cess etc.
- 10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11) In our opinion and according to the explanations given to us, we are of the opinion that company has not defaulted in repayment of dues to the financial institution / banks.
- 12) We have been informed that the Company has not granted any loans and advances on the basis of security by way of pledge or shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore Clause 4 (XIII) of the Companies (Auditor's Report) Order 2003 does not apply to the Company.
- 14) In our opinion and according to the information and explanations given to us, the company has maintained timely entries in respect of transactions and contracts of dealing or trading in shares, securities, debentures and other investments in accordance with general practice. The shares, debentures, securities and other investments have been held by the company in its own name.



- 15) According to information and explanations given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
- 16) According to the information and explanations given to us, No Term loans were availed during the year.
- 17) As per the information and explanations given to us, and on examination of the balance sheet of the company. We report that no funds raised on short term basis have been used for long term investment;
- 18) According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties & companies covered in the register maintained under section 301 of the Companies act, 1956.
- 19) During the year the company has not issued any debentures.
- 20) During the period covered by our audit report, the company has not raised any money by way of public issue.
- 21) In our opinion and according to the explanations given to us, no fraud on or by the company has been noticed or reported during the year, that cause the financial statements to be materially misstated.

Place : Mumbai
Date : - 8 JUN 2010



For M. L. SHARMA & CO.
Firm Reg. No. 109963W
CHARTERED ACCOUNTANTS

(C. H. BANDI) PARTNER
M. NO. 5385

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2010

	<u>Schedule</u>	<u>As at 31st March, 2010</u>	<u>As at 31st March, 2009</u>
<u>SOURCES OF FUNDS</u>			
Shareholders' Fund			
Share Capital	1	12500000	18100000
Reserve & Surplus	2	<u>28731650</u>	<u>24276116</u>
Total Funds Employed		<u>41231650</u>	<u>42376116</u>
<u>APPLICATION OF FUNDS</u>			
Investments	3	25635810	25855810
Current Assets, Loans & Advances			
Cash & Bank Balances	4	44762	12322
Loans & Advances	5	<u>16881593</u>	<u>17593890</u>
		<u>16926355</u>	<u>17606212</u>
Less: Current Liabilities & Provisions	6		
Current Liabilities		5515	5515
Provisions		<u>1325000</u>	<u>1080391</u>
		<u>1330515</u>	<u>1085906</u>
Net Current Assets		<u>15595840</u>	<u>16520306</u>
Total Fund Utilised		<u>41231650</u>	<u>42376116</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

9

As per our report of even date
For **M.L. SHARMA & COMPANY**
Firm Regd No **109963W**
Chartered Accountants

For and on behalf of the Board

sd/-
Vijay Kumar Jatia
Director

Sd/-
(C H BANDI) Partner
Membership No : 5385
Place : Mumbai
Dated : 8th June, 2010

Sd/-
Gauri Jatia
Director

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>Schedule</u>	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
<u>INCOME</u>			
Income from Operation	7	5078922	11612948
		<u>5078922</u>	<u>11612948</u>
<u>EXPENDITURE</u>			
Administrative & Other Expenses	8	247008	644307
		<u>247008</u>	<u>644307</u>
<u>PROFIT</u>			
Profit before Tax		4831914	10968641
Less : Provision for Taxation - Current		350000	975000
- MAT Credit Entitlements		-	(706968)
Profit after Tax		<u>4481914</u>	10700609
Income tax for earlier years		9599	146
MAT Credit Entitlements for earlier years		(35979)	-
Balance brought forward from last year		<u>17326116</u>	6625361
Profit available for Appropriations		<u>21781650</u>	<u>17326116</u>
<u>APPROPRIATIONS</u>			
Transferred to Capital Redemption Reserve		5600000	-
Surplus carried to Balance Sheet		<u>16181650</u>	<u>17326116</u>
		<u>21781650</u>	<u>17326116</u>

EARNING PER SHARE

(Refer Note no 2 C of Schedule 9)

Basic/Diluted earning per share	3.59	8.56
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SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

9

As per our report of even date
For **M.L. SHARMA & COMPANY**
Firm Regd No **109963W**
Chartered Accountants

For and on behalf of the Board

Sd/-
Vijay Kumar Jatia
Director

Sd/-
(C H BANDI) Partner
Membership No : 5385
Place : Mumbai
Dated : 8th June, 2010

Sd/-
Gauri Jatia
Director

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS 31ST MARCH, 2010

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<u>SCHEDULE - 1</u>		
<u>SHARE CAPITAL</u>		
Authorised		
1840000 Equity Shares of Rs 10/- each	18400000	18400000
116000 10% Redeemable Non Cumulative Preference Shares of Rs 100/- each	11600000	11600000
	<u>30000000</u>	<u>30000000</u>
Issued, Subscribed & Paid Up		
1250000 Equity Shares of Rs 10/- each fully paid up	12500000	12500000
0 (Previous Year 56000) 10% Redeemable Non Cumulative Preference Shares of Rs 100/- each fully paid up	-	5600000
	<u>12500000</u>	<u>18100000</u>
<u>SCHEDULE - 2</u>		
<u>RESERVE & SURPLUS</u>		
Capital Redemption Reserve		
As per last Balance Sheet	6900000	6900000
Transferred from Profit & Loss Account	5600000	-
	<u>12500000</u>	6900000
General Reserve		
As per last Balance Sheet	50000	50000
Surplus		
Balance in Profit & Loss Account	16181650	17326116
	<u>28731650</u>	<u>24276116</u>

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)

SCHEDULE - 3
INVESTMENTS

	Face <u>Value</u> Rupees	<u>As at 31st March, 2010</u>		<u>As at 31st March, 2009</u>	
		<u>No of Shares</u>	<u>Cost</u> Rupees	<u>No of Shares</u>	<u>Cost</u> Rupees
<u>LONG TERM INVESTMENTS</u>					
<u>Fully Paid Up (Quoted) :</u>					
Equity Shares of					
Modern India Ltd	2	7665000	15230810	7665000	15230810
PTL Enterprises Ltd	2	500000	750000	-	-
			<u>22730810</u>		<u>15230810</u>
<u>Fully Paid Up (Unquoted) :</u>					
Equity Shares of					
Equest Capital Advisors Pvt Ltd	10	40000	400000	40000	400000
Gyan Ventures Pvt Ltd	10	1500	15000	1500	15000
Lexicon Constructions Pvt Ltd	10	1500	15000	1500	15000
Modern India Realty & Infra Ltd	10	7500	75000	-	-
Mandev Tubes Pvt Ltd	10	-	-	37000	4995000
10% Redeemable Non-Cumulative Preference Shares of					
Alcyone Trading Co Pvt Ltd	100	19000	1900000	19000	1900000
Ignatius Trading Co Pvt Ltd	100	-	-	28000	2800000
Candescent Traders Pvt Ltd	100	5000	500000	5000	500000
			<u>2905000</u>		<u>10625000</u>
			<u>25635810</u>		<u>25855810</u>
TOTAL					
Aggregate Book Value - Quoted			22730810		15230810
Aggregate Book Value - Unquoted			2905000		10625000
Market Value - Quoted Investments			1173538500		1134803250

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)

	As at 31st <u>March, 2010</u> Rupees	As at 31st <u>March, 2009</u> Rupees
<u>SCHEDULE - 4</u>		
<u>CASH & BANK BALANCES</u>		
Cash on Hand	10000	10000
In Current Account with Scheduled Bank	<u>34762</u>	<u>2322</u>
	<u>44762</u>	<u>12322</u>
<u>SCHEDULE - 5</u>		
<u>LOANS & ADVANCE</u>		
(Unsecured, Considered Good)		
Loans	13950000	14825000
Advance Income Tax, Tax Deducted at Sources & FBT	1167625	865671
MAT Credit Entitlement	670989	706968
Loans to Employee	18500	36000
Interest Receivables	<u>1074479</u>	<u>1160251</u>
	<u>16881593</u>	<u>17593890</u>
<u>SCHEDULE - 6</u>		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Current Liabilities		
Sundry Creditors for expenses other than Micro, Small & Medium Enterprises	5515	5515
	<u>5515</u>	<u>5515</u>
Provisions		
Provisions for Taxations	1325000	1080391
	<u>1330515</u>	<u>1085906</u>

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year Rupees	Previous Year Rupees
<u>SCHEDULE - 7</u>		
<u>INCOME FROM OPERATION</u>		
Interest - Gross [TDS Rs 169801/- (Previous year Rs 339944/-)]	1246422	1500194
Dividend - Gross		
From Long Term Investments	3832500	1533000
Long Term Capital Gain	-	8578351
Other Income	-	1403
	5078922	11612948
 <u>SCHEDULE - 8</u>		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Salary & Bonus	126903	96576
Professional Fees	50000	520000
Travelling	55205	-
Filing Fees	6000	5000
Bank & Demat Charges	675	9008
Employers' Profession Tax	2500	2500
Auditors' Remuneration		
For Audit Fees	5515	7763
Miscellaneous Expenses	210	3460
	247008	644307

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
SCHEDULES OF NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 9

1) Significant Accounting Policies :

A General:

- i) These accounts are prepared on the Historical Cost Convention and on the Accounting Principle of a Going concern.
- ii) Accounting Principles not specifically referred to otherwise are consistent with earlier years and in consonance with generally accepted Accounting Principles.

B Fixed Assets:

The Company does not own any Fixed Assets during the year.

C Retirement Benefits:

Retirement benefits are not applicable to the company.

D Investments:

All investments are long term, which are stated at cost. Provision for diminution in the value of investments made only if, such a decline is other than temporary in the opinion of the management. Investments include shares and securities purchased with the intention of holding them as investments as per Board Resolution.

E Recognition of Income & Expenditure:

Income & expenditure are accounted for on accrual basis.

F Taxation:

Provision for Income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Income taxes are recognised for the future tax consequences attributable to timing difference between the financial statement determination of income and their recognition for tax purposes. The effect of deferred tax assets & liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted for substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

G Contingent Liability:

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes, if any.

2) Notes on Account :

A Disclosure of related party transaction as required by para 23 of AS 18 issued by the Chartered Accountants of India :

a) List of Related Parties over which control exists:

Name of the Related Party (As Identified by the Management)	Description of Relationship
1. Shree Rani Sati Investment & Finance Ltd	Associates : Significant Influence
2. Modern India Ltd	Associates : Significant Influence
3. F Pudumjee Investment Co Ltd	Associates : Significant Influence
4. Modern India Property Developers Ltd	Associates : Significant Influence

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)

b) Details of transactions Related Parties during the Financial Year ended 31.03.2010:

<u>Description of transactios</u>	<u>Key Management Personnels</u>	<u>Key Management personnel holding substantial interest</u>
1. Interest received on ICD	0 (0)	1244280 (796194)
2. Dividend Received	0 (0)	3832500 (1533000)
3. Sale of Investments/Professional Fees	0 (0)	2800000 (500000)
4. Loans/Advances given during the year (Net)	0 (0)	13100000 (13975000)
Outstanding Balance as on 31.03.2010		(Loans Given) 13100000 (13975000)

B As per AS 17 in respect of segment reporting, the only segment in which company deals is Investments in shares, hence no separate classifications have been made.

C Earning per Share:

In compliance with Accounting standard-20 "Earning per Share" issued by The Institute of Chartered Accountants of India, Basic earning per share has been calculated by dividing net profit after tax with the weighted average number of Equity Shares outstanding during the period as per details given below :-

	<u>Year ended</u> 31.03.2010	<u>Year ended</u> 31.03.2009
Net Profit available for equity shareholders	4481914	10700609
Weighted average number of equity shares outstanding	1250000	1250000
Basic/Diluted Earning Per Share (Nominal Value Rs 10/-)	3.59	8.56

D There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at Balance Sheet date. Further, the Company has not paid any interest to any Micro and small Enterprises during the accounting year, nor is any interest payable to any Micro and Small Enterprises on the Balance Sheet Date. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

E Loans & Advances includes Loans & Advances given to Company's in which Directors/Relatives are interested :

<u>Name of the Company</u>	<u>Balance as on</u> 31.03.2010	<u>Maximum Balance</u> <u>Outstanding</u>
1. Indian Institute of Jewellery Limited	0 (0)	0 (7250000)
2. F Pudumjee Investment Co Ltd	2500000 (0)	11650000 (0)
3. Shree Rani Sati Investment & Finance Ltd	10600000 (0)	10600000 (0)
4. Modern India Property Developers Ltd	0 (13975000)	13975000 (13975000)

SARAT LEASING AND FINANCE LIMITED
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F Provision involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

G Information pursuant to the provisions of paragraphs 3 & 4 of Para II Schedule VI of the Companies Act, 1956

- | | |
|--|----------------|
| a) Quantitative details of Purchases, Sales & Stocks : | Not Applicable |
| b) Licence Capacity/Installed Capacity | Not Applicable |

H The Company did not earn any Foreign Exchange by way of Exports.

I Previous year figures are regrouped/rearranged whenever necessary.

J Figures have been rounded off to the nearest rupee.

K Additional information pursuant to part IV of Schedule VI of the Companies Act, 1956 annexed herewith.

Signature to Schedules '1' to '9'

As per our report of even date
For **M.L. SHARMA & COMPANY**
Firm Regd No **109963W**
Chartered Accountants

For and on behalf of the Board

Sd/-

sd/-
Vijay Kumar Jatia
Director

(C H BANDI) Partner
Membership No : 5385
Place : Mumbai
Dated : 8th June, 2010

Sd/-
Gauri Jatia
Director

SARAT LEASING AND FINANCE LIMITED
(FORMERLY AS SARAT DERIVATIVES AND FUTURES LIMITED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL FINANCIAL PROFILE

a Registration Details	
Registration No	11-77781 of 1994
State Code	11
Balance Sheet Date	31/03/2010
b Capital raised during the year (Amount in Rs Thousands)	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	(5600)
c Position of mobilisation and deployment of funds (Amount in Rs Thousands)	
Total Liabilities	41232
Total Assets	41232
Sources of Funds	
Paid Up Capital	12500
Reserve & Surplus	28732
Secured Loans	Nil
Unsecured Loans	Nil
Application of Funds	
Net Fixed Assets	Nil
Investments	25636
Net Current Assets	15596
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil
d Performance of Company (Amount in Rs Thousands)	
Turnover	5079
Total Expenditure	247
Profit Before Tax	4832
Profit After Tax	4482
Earning per Share in Rs	3.59
Dividend Rate %	Nil
e Generic Names of Three Principal Products/Services of Company (As per monetary terms)	
Item Code No (ITC Code)	NA
Products Description	NA