

# SARAT LEASING AND FINANCE LIMITED


## NOTICE

**NOTICE** is hereby given that the Seventeenth 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 18<sup>th</sup> July, 2011 at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011 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 Shri Mudit Jatia, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors M/s M.L. Sharma & Co. (F. R. No. 109963W) 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

  
**Vijay Kumar Jatia**  
Chairman

Mumbai, dated: 30<sup>th</sup> April, 2011.

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,  
Sarat Leasing & Finance Ltd.

The Directors present the Seventeenth Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2011.

<b>FINANCIAL RESULTS</b>			
	<b>Year ended</b>		<b>Year ended</b>
	<b>31.03.2011</b>		<b>31.03.2010</b>
	<b>Rupees</b>		<b>Rupees</b>
Gross Profit/(Loss) before interest, depreciation & taxes	<b>38,54,446</b>		48,31,914
Less: Interest	-		-
Profit/(Loss) before tax	<b>38,54,446</b>		48,31,914
Less: Provision for taxation	<b>1,30,000</b>		3,50,000
MAT Credit Entitlements	-		-
Profit/(Loss) after tax	<b>37,24,446</b>		44,81,914
Income tax for earlier years	<b>(16624)</b>		9,599
MAT Credit Entitlements for earlier years	-		(35,979)
Surplus brought forward	<b>1,61,81,650</b>		1,73,26,116
Profit available for Appropriation	<b>1,98,89,472</b>		2,17,81,650
<b>Appropriation</b>			
Transferred to Capital Redemption Reserve	-		56,00,000
Balance carried to Balance Sheet	<b>1,98,89,472</b>		1,61,81,650
Basic/Diluted Earning per Share	<b>2.98</b>		3.59

## DIVIDEND

In order to strengthen the internal resources of the Company, your Directors propose to carry forward the balance sum of ₹ 1,98,89,472/- and, therefore, do not recommend any dividend on both Equity Shares for the year ended 31<sup>st</sup> March, 2011.

## DIRECTORS

Shri Mudit Jatia, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

# **SARAT LEASING AND FINANCE LIMITED**

---

## **AUDITORS**

Members are requested to appoint Auditors and fix their remuneration. The present Auditor M/s. M. L. Sharma & Company (F. R. No 109963W) , 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**

The nature of the Company's activities is such that there is nothing to report as per the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the provisions of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

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 31<sup>st</sup> March, 2011 is annexed hereto.

## **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 31<sup>st</sup> March, 2011 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

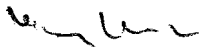
# SARAT LEASING AND FINANCE LIMITED

---

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

  
Vijay Kumar Jatia  
Chairman

Place: Mumbai

Date: 30th April, 2011

**Registered Office:**

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

# AUDITOR'S REPORT

Te

**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 31<sup>st</sup> March, 2011 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 02<sup>nd</sup> 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 18<sup>th</sup> April, 2011.
- III. The Company has not accepted any public deposits during the financial year ended 31<sup>st</sup> March, 2011.
- 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 : 30 APR 2011



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**

We have audited the attached Balance Sheet of SARAT LEASING AND FINANCE LIMITED as at 31<sup>st</sup> March, 2011 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:

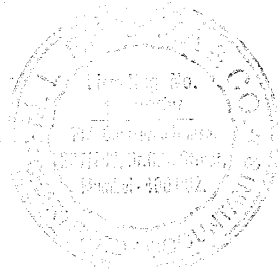
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
- (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 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, 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.

  
Contd...2

(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 31<sup>st</sup> March, 2011;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.



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

A handwritten signature in black ink, appearing to read 'C. H. BANDI', written over a diagonal line.

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

Place : Mumbai  
Date : 30 APR 2011

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 31<sup>st</sup> March, 2011.

- 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 4 parties listed in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4,25,50,000/- and the year end balance of loan granted to such parties was Rs. 13,00,000/-.
- 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, prejudicial 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;

Contd...4





- 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 31<sup>st</sup> March, 2011 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 : 30 APR 2011

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

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

**SARAT LEASING AND FINANCE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

	<u>Schedule</u>	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>
<b><u>SOURCES OF FUNDS</u></b>			
Shareholders' Fund			
Share Capital	1	12500000	12500000
Reserve & Surplus	2	<u>32439472</u>	<u>28731650</u>
<b>Total Funds Employed</b>		<u><b>44939472</b></u>	<u><b>41231650</b></u>

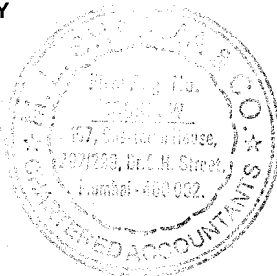
**APPLICATION OF FUNDS**

Investments	3	31262923	25635810
Current Assets, Loans & Advances			
Cash & Bank Balances	4	47846	44762
Loans & Advances	5	<u>14118079</u>	<u>16881593</u>
		<u><b>14165925</b></u>	<u><b>16926355</b></u>
Less: Current Liabilities & Provisions	6		
Current Liabilities		9376	5515
Provisions		<u>480000</u>	<u>1325000</u>
		<u><b>489376</b></u>	<u><b>1330515</b></u>
Net Current Assets		<u><b>13676549</b></u>	<u><b>15595840</b></u>
<b>Total Fund Utilised</b>		<u><b>44939472</b></u>	<u><b>41231650</b></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

*Gauri Jate*

Director

*Gauri Jate*

Director

(G. H. BANDI) Partner  
 Membership No : 5385  
 Place : Mumbai  
 Dated :

30 APR 2011

**SARAT LEASING AND FINANCE LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	<u>Schedule</u>	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
<b><u>INCOME</u></b>			
Income from Operation	7	4153507	5078922
		<u>4153507</u>	<u>5078922</u>
<b><u>EXPENDITURE</u></b>			
Administrative & Other Expenses	8	299061	247008
		<u>299061</u>	<u>247008</u>
<b><u>PROFIT</u></b>			
Profit before Tax		3854446	4831914
Less : Provision for Taxation - Current		<u>130000</u>	<u>350000</u>
Profit after Tax		3724446	4481914
Income tax for earlier years		(16624)	9599
MAT Credit Entitlements for earlier years		-	(35979)
Balance brought forward from last year		<u>16181650</u>	<u>17326116</u>
Profit available for Appropriations		<u>19889472</u>	<u>21781650</u>
<b><u>APPROPRIATIONS</u></b>			
Transferred to Capital Redemption Reserve		-	5600000
Surplus carried to Balance Sheet		<u>19889472</u>	<u>16181650</u>
		<u>19889472</u>	<u>21781650</u>

**EARNING PER SHARE**

(Refer Note no 2 C of Schedule 9)

Basic/Diluted earning per share	2.98	3.59
---------------------------------	------	------

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

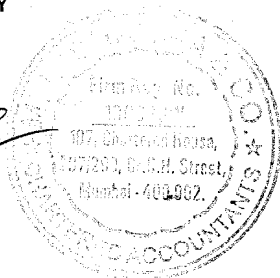
9

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

(C.V. BANDI) Partner  
 Membership No : 5385  
 Place: Mumbai

Dated : **30 APR 2011**



*(Signature)*  
 Director

Director

**SARAT LEASING AND FINANCE LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS 31ST MARCH, 2011**

	<u>As at 31st</u> <u>March, 2011</u> Rupees	<u>As at 31st</u> <u>March, 2010</u> Rupees
<b><u>SCHEDULE - 1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
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
	<u>12500000</u>	<u>12500000</u>
<b><u>SCHEDULE - 2</u></b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
Capital Redemption Reserve		
As per last Balance Sheet	12500000	6900000
Transferred from Profit & Loss Account	-	5600000
	<u>12500000</u>	<u>12500000</u>
General Reserve		
As per last Balance Sheet	50000	50000
Surplus		
Balance in Profit & Loss Account	19889472	16181650
	<u>32439472</u>	<u>28731650</u>



h

A handwritten signature consisting of several loops and a long horizontal stroke.

# SARAT LEASING AND FINANCE LIMITED

## SCHEDULE - 3 INVESTMENTS

		<u>As at 31st March, 2011</u>		<u>As at 31st March, 2010</u>	
	<u>Face</u> <u>Value</u> Rupees	<u>No of</u> <u>Shares</u>	<u>Cost</u> Rupees	<u>No of</u> <u>Shares</u>	<u>Cost</u> Rupees
<u>LONG TERM INVESTMENTS</u>					
<u>Fully Paid Up (Quoted):</u>					
Equity Shares of					
Modern India Ltd	2	7707500	20857923	7665000	15230810
PTL Enterprises Ltd	2	500000	7500000	500000	7500000
			<u>28357923</u>		<u>22730810</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	7500	75000
10% Redeemable Non-Cumulative Preference Shares of					
Alcyone Trading Co Pvt Ltd	100	19000	1900000	19000	1900000
Candescent Traders Pvt Ltd	100	5000	500000	5000	500000
			<u>2905000</u>		<u>2905000</u>
			<u>31262923</u>		<u>25635810</u>
<b>TOTAL</b>					
Aggregate Book Value - Quoted			28357923		22730810
Aggregate Book Value - Unquoted			2905000		2905000
Market Value - Quoted Investments			769605750		1173538500



# SARAT LEASING AND FINANCE LIMITED

**As at 31st  
March, 2011**  
Rupees

**As at 31st  
March, 2010**  
Rupees

## **SCHEDULE - 4**

### **CASH & BANK BALANCES**

Cash on Hand	10000	10000
In Current Account with Scheduled Bank	37846	34762
	<u>47846</u>	<u>44762</u>

## **SCHEDULE - 5**

### **LOANS & ADVANCE**

(Unsecured, Considered Good)

Loans	2025000	13950000
Advance Income Tax, Tax Deducted at Sources & FBT	258049	1167625
MAT Credit Entitlement	670989	670989
Advances against Property	10875000	-
Loans to Employee	18500	18500
Interest Receivables	270541	1074479
	<u>14118079</u>	<u>16881593</u>

## **SCHEDULE - 6**

### **CURRENT LIABILITIES & PROVISIONS**

Current Liabilities

Sundry Creditors for expenses other than Micro, Small & Medium Enterprises	9376	5515
	<u>9376</u>	<u>5515</u>

Provisions

Provisions for Taxations	480000	1325000
	<u>489376</u>	<u>1330515</u>

**SARAT LEASING AND FINANCE 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, 2011**

**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:**

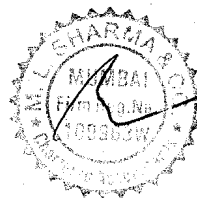
Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes, if any.

**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:**

<u>Name of the Related Party (As Identified by the Management)</u>	<u>Description of Relationship</u>
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 Free Trade Warehousing Pvt Ltd	Associates : Significant Influence
5. 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:**

Description of transactios	Key Management Personnels	Key Management personnel holding substantial interest
1. Interest received on ICD	0 (0)	<b>837507</b> (1244280)
2. Dividend Received	0 (0)	<b>3066000</b> (3832500)
3. Sale of Investments/Professional Fees	0 (0)	<b>-125000</b> (2800000)
4. Loans/Advances given during the year (Net)	0 (0)	<b>1300000</b> (13100000)
Outstanding Balance as on 31.03.2011	<b>Rs 1300000/- Loans Given (P/Y Rs 13100000/-)</b>	

**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:**

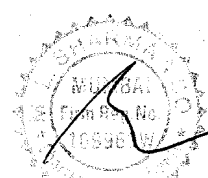
In compliance with Accounting standard-20 "Earning per Share" issued by The Institute of Chartered Accountants of India, Basic earning per share has been calculated by dividing net profit after tax with the weighted average number of Equity Shares outstanding during the year as per details given below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

	Year ended <b>31.03.2011</b>	Year ended <b>31.03.2010</b>
Net Profit available for equity shareholders	<b>3724446</b>	4481914
Weighted average number of equity shares outstanding	<b>1250000</b>	1250000
Basic/Diluted Earning Per Share (Nominal Value Rs 10/-)	<b>2.98</b>	3.59

**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 :

Name of the Company	Balance as on 31.03.2011	Maximum Balance Outstanding
1. Modern India Free Trade Warehousing Pvt Ltd	0 (0)	<b>14000000</b> (0)
2. F Pudumjee Investment Co Ltd	0 (2500000)	<b>2500000</b> (0)
3. Shree Rani Sati Investment & Finance Ltd	<b>1300000</b> (10600000)	<b>12550000</b> (0)
4. Modern India Property Developers Ltd	0 (0)	<b>13500000</b> (13975000)



**SARAT LEASING AND FINANCE LIMITED**

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 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'**

For and on behalf of the Board

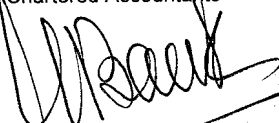
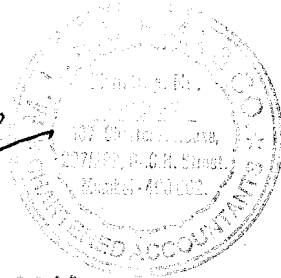


Director



Director

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



(C.H. BANDI) Partner  
Membership No : 5385  
Place : Mumbai  
Dated :

30 APR 2011  
30 APR 2011