

SHREEVATSA FINANCE & LEASING LIMITED

120/500 (10), LAJPAT NAGAR, KANPUR-208005

Email : investors.svfl@rediffmail.com

NOTICE

Notice is hereby given that Annual General Meeting of the company will be held on Wednesday, 30th day of September 2009 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 31-03-2009, 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 reappointment.

Place: Kanpur
Dated: 05-09-2009

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 24.09.2009 to 30.09.2009 (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.

SHREEVATSAA FINANCE & LEASING LIMITED

120/500 (10), LAJPAT NAGAR, KANPUR-208005

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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 31st March, 2009.

STATE OF COMPANY'S AFFAIRS:

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

PARTICULARS	YEAR ENDED	
	31.03.2009	31.03.2008
Profit Before Taxation and Depreciation	(253,253.57)	25,789,272
Depreciation	14,272.00	17,793
Profit Before Taxation	(267,525.57)	25,771,479
Provision for Taxation for current Year	----	3,042,388
Add/(less) Deferred Tax	(77,882.00)	5,699,449
Profit after Taxation	(189,643.57)	17,029,642
Add: - Balance Brought forward from Previous Year	28,926,872.12	15,303,160
Profit available for Appropriation	28,737,228.55	32,332,802

DIVIDEND

The depression in the domestic market and increasing global competition has compelled the company to conserve the resources. Hence, the Board of Directors has decided to skip recommending any dividend for the year 2008 -09.

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 ensuing 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 were 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 31-03-2009, 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: 05-09-2009
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 2008 – 09, nine Board Meetings were held on

- 1) 15th April, 2008
- 2) 29th April, 2008
- 3) 30th July, 2008
- 4) 30th August, 2008
- 5) 02nd September, 2008
- 6) 30th September, 2008
- 7) 30th October, 2008
- 8) 29th January, 2009
- 9) 31st March, 2009

The last AGM was held on 30th September 2008.

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 31st, 2009 is:-

AUDIT COMMITTEE

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	7	1	Nil
Rekha Chawla	Independent – Non Executive	Director	9	Yes	1	1	Nil
Manohar Lal Bajaj	Independent – Non Executive	Director	9	Yes	2	2	2
Sudhir Kumar Bajpai	Independent – Non Executive	Director	9	Yes	Nil	Nil	Nil

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 2008-09, the Audit Committee met four times as per the Paragraph II of Clause 49 of the Listing Agreement on the following dates:

- 1) 29th April, 2008
- 2) 30th July, 2008
- 3) 30th October, 2008
- 4) 29th January, 2009

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. Sudhir 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:

Name of the Members	Status	No. of Meetings Held	No. of Meetings attended
Smt. Rekha Chawla	Chairman	2	2
Sh. Praveen Kumar Arora	Member	2	2
Sh. Manohar Lal Bajaj	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 31st March, 2009.

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. Sudhir 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: -

Name of the Members	Status	No. of Meeting held & attended
Smt. Rekha Chawla	Chairman	1
Sh. Praveen Kumar Arora	Member	1
Sh. Sudhir Kumar	Member	1
Sh. Manohar Lal Bajaj	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. Sudhir 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. Sudhir 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
Smt. Rekha Chawla	Chairman	1
Sh. Praveen Kumar Arora	Member	1
Sh. Sudhir Kumar	Member	1
Sh. Manohar Lal Bajaj	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. 50,000/- (Rupees Fifty Thousand only) during the Year 2008 - 09 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 th September, 2008	120/500 (10), Lajpat Nagar, Kanpur-208005.	10.30A.M.
AGM	29 th September, 2007	120/500 (10), Lajpat Nagar, Kanpur-208005.	11.00 A.M.
AGM	30 th September, 2006	120/500 (10), Lajpat Nagar, Kanpur-208005.	11.00 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 2008-09.

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 : 30th September, 2009
Day : Wednesday
Time : 09.30 A.M.
Venue : 120/500 (10), Lajpat Nagar, Kanpur-208005.

Financial Calendar

Financial year of the Company is 1st April to 31st 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: - 24.09.2009 to 30.09.2009 (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, Ahemadabad 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 is 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 31st March 2009. 89.61% shares are dematerialized.

Address for correspondence:

Company Office

Ritu Aswal,
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, 2009 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: 05.09.2009

-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 : 05.09.2009

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, 2009 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 fir 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 : 05-09-2009

AUDITORS' REPORT

To,
The Members

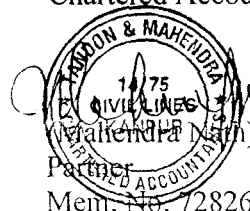
Shree Vatsaa Finance & Leasing Limited

1. We have audited the attached Balance Sheet of M/s Shree Vatsaa Finance & Leasing Ltd. as at 31st March, 2009, 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 31st March, 2009 and taken on record by the Board of Directors of the Company, we report that none of the Directors' is disqualified as on 31st March, 2009 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 31st March, 2009.
 - b) In the case of Profit & Loss Account, of the Profit 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 : 31.08.2009

Place : Kanpur

For Tandon & Mahendra
Chartered Accountants



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 Company is not having any stock hence clause ii (a) to (c) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the company.
- 3 (a) The Company has not given any Loans Secured or Unsecured to the other companies/persons/parties listed in the register maintained under section 301 of the Companies Act, 1956, hence clause iii (a) to (d) of paragraph 4 of the Companies (Auditors' Report) Order 2003 as amended by Companies (Auditors' Report) Order 2004 are not applicable.
- (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 Company under section 209 (1) (d) of the Companies Act, 1956.
- 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 31.03.2009 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 : 31th August, 2009

Place : Kanpur

For Tandon & Mahendra

Chartered Accountants


Mahendra Nath
Partner



M/S SHREE VATSAA FINANCE & LEASING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	As at 31st, March, 2009	As at 31st, March, 2008
<u>SOURCES OF FUNDS</u>			
<u>SHARES HOLDERS FUNDS</u>			
Share Capital	A	100,950,000.00	100,950,000.00
Reserves & Surplus	B	37,926,471.60	38,116,115.17
<u>DEFERRED TAX LIABILITY</u>			
Deferred Tax Liability		-	12,523.00
TOTAL (Rs.)		138,876,471.60	139,078,638.17
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	C	416,116.00	416,116.00
Depreciation		339,530.00	325,258.00
Net Block		<u>76,586.00</u>	<u>90,858.00</u>
Deferred Tax Asset		65,359.00	-
Investments	D	30,961,337.58	28,077,724.07
Current Assets, Loan & Advances:			
Current Assets			
Sundry Debtors	E	2,696.64	31,976.00
Cash & Bank Balances	F	2,595,790.66	23,545,557.49
Loans & Advances	G	105,659,061.72	90,816,826.61
		<u>108,257,549.02</u>	<u>114,394,360.10</u>
Less:			
Current Liabilities and Provisions			
Current Liabilities	H	484,360.00	441,916.00
Provisions	I	-	3,042,388.00
		<u>484,360.00</u>	<u>3,484,304.00</u>
Net Current Assets		107,773,189.02	110,910,056.10
TOTAL (Rs.)		138,876,471.60	139,078,638.17
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



Place : Kanpur
Dated : 31.08.2009

For Shree Vatsaa Finance & Leasing Ltd.

(Director) (Director)

M/S SHREE VATSAA FINANCE & LEASING LIMITED


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009

PARTICULARS	SCHEDULE	As at 31st, March, 2009	As at 31st, March, 2008
INCOME:			
Operating Income	J	-	5,847,820.26
Income on trade investments	K	478,902.25	2,640,761.47
Other Incomes	L	757,780.00	18,567,035.00
TOTAL (Rs.)		1,236,682.25	27,055,616.73
EXPENDITURE:			
Personnel Cost	M	1,259,888.00	981,140.00
Administrative & Other Expenses	N	230,047.82	285,204.69
TOTAL (Rs.)		1,489,935.82	1,266,344.69
Profit Before Depreciation & Tax		(253,253.57)	25,789,272.04
Depreciation	O	14,272.00	17,793.00
Profit After Depreciation		(267,525.57)	25,771,479.04
Less: Provision for Taxation for Current Year			
Add/(Less)			
Current Tax		-	3,042,388.00
Fringe Benefit Tax		-	-
Deferred Tax		(77,882.00)	5,699,449.26
Profit After Taxation		(189,643.57)	17,029,641.78
Add: Balance Brought Forward From Last Year		28,926,872.12	15,303,160.34
Profit available for Appropriation		28,737,228.55	32,332,802.12
APPROPRIATION:			
Amount transferred to Special Reserve Fund		-	3,405,930.00
Balance Carried Over To Balance Sheet		28,737,228.55	28,926,872.12
Statement of Significant Accounting Policies and notes forming part of Accounts	P		



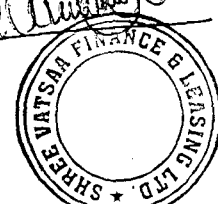
Auditor's Report

As per our separate report of even date annexed.

For **Tandon & Mahendra**
Chartered Accountants


Mahendra Nath
(Partner) ACCOUNTANTS
M. No. 72826
Place: Kanpur
Dated : 31.08.2009

For Shree Vatsaa Finance & Leasing Ltd.

 
(Director)  (Director)

Shree Vatsaa Finance & Leasing Limited


Cash Flow Statement For the Year Ended on 31st, March, 2009

Particulars	Amount (Rs.) 2009-2010	Amount (Rs.) 2008-2009
A Cash Flow from Operating Activities		
Net Profit Before Tax	(267,525.57)	25,771,479.04
Adjustments For:		
Depreciation	14,272.00	17,793.00
(Profit)/Loss on Sale of Short Term Investments	(409,576.25)	-
(Profit)/Loss on Sale of Long Term Investments	-	(2,634,877.93)
Amortisation of Expenses	-	-
Interest Income	(757,780.00)	(653,433.00)
Dividend Income	(69,326.00)	(5,883.54)
Amount written off		
Operating Profit before Working Capital Changes	(1,489,935.82)	22,495,077.57
Adjustments For:		
(Increase)/Decrease in Stocks	-	-
(Increase)/Decrease in Loans & Advances	(14,842,235.11)	(27,104,419.61)
(Increase)/Decrease in Other Assets	29,279.36	27,886,498.16
Increase/ (Decrease) Current Liabilities	42,444.00	(125,333.00)
Amount written off		
Cash Generated from Operations	(16,260,447.57)	23,151,823.12
Adjustments For:		
Direct Taxes Paid	3,042,388.00	-
Provisions for Taxes		
Net Cash From Operating Activities (A)	(19,302,835.57)	23,151,823.12
B Cash Flow From Investing Activities		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Sale of Investments	1,038,331.49	10,791,337.80
Purchase of Investments	(3,512,368.75)	(28,510,427.04)
Interest Received	757,780.00	653,433.00
Dividend Received	69,326.00	5,883.54
Net Cash From Investing Activities (B)	(1,646,931.26)	(17,059,772.70)
C Cash Flow From Financing Activities		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Short Term Loans & Advances	-	-
Issue Expenses	-	-
Net Cash From Financing Activities (C)	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	(20,949,766.83)	6,092,050.42
Cash & Cash Equivalents at the beginning of the year	23,545,557.49	17,453,507.07
Cash & Cash Equivalents at the end of the year	2,595,790.66	23,545,557.49

Notes:(1) Figures in Brackets represents outflows.

For Shree Vatsaa Finance & Leasing Ltd.

PLACE:KANPUR
DATED:31.08.2009


 (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, 2009. 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.

PLACE:KANPUR
DATED:31.08.2009

For Tandon & Mahendra
 Chartered Accountants
 CIVIL LINES
 KANPUR

 (Mahendra Nath)
 Partner
 Memb. No. 72826

M/S SHREE VATSAA FINANCE & LEASING LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st, March, 2009	As at 31st, March, 2008
Schedule-A: Share Capital		
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
Total:	110,000,000.00	110,000,000.00
Issued Subscribed & Paidup Capital:		
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
Total:	100,950,000.00	100,950,000.00
Schedule-B: Reserves & Surplus		
Special Reserve Fund	9,189,243.05	9,189,243.05
Profit & Loss Account	28,737,228.55	28,926,872.12
Total:	37,926,471.60	38,116,115.17

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
	13,925,500.00	13,925,500.00

Quoted Equity Shares (Fully paidup)

Balasore Alloys Ltd. (NIL)	40000	2,447,342.49	-
(Mkt Value as on 31.03.2009 4,31,200/-, P.Y ,Rs. Nil)			
Firstsource Solutions Ltd. (1000)	1000	82,769.34	82,769.34
(Mkt Value as on 31.03.2009, Rs.15,410/-, P.Y Rs. 36600/-)			
House of Pearl Fashion Ltd. (1100)	1100	605,000.00	605,000.00
(Mkt Value as on 31.03.2009, Rs.49,335/-, P.Y Rs.151580/-)			
Mundra Port Ltd. (306)	1000	684,537.64	134,640.00
(Mkt Value as on 31.03.2009, Rs.3,23,300/- P.Y. 177098/-)			
Delta Corporation Ltd. (2000)	2000	76,404.19	80,544.15
(Mkt. Value as on 31.03.2009, Rs.59,900/-, P.Y.94100/-)			
Arrow Textiles Ltd. (NIL)	200	4,139.96	-
(Mkt. Value as on 31.03.2009 Rs. Nil, P.Y.Nil)			
Cubex Tubing Limited (3000)	3000	339,569.59	339,569.59
(Mkt. Value as on 31.03.2009 ,Rs.23,370/-, P.Y. 146700/-)			



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M/S SHREE VATSAA FINANCE & LEASING LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

Divis Laboratories Ltd.	(200)	200	334,777.56	334,777.56
Mkt. Value as on 31.03.2009 ,1,88,860/-, P.Y. 2,53,770/-)				
Gail India Ltd.	(600)	900	254,449.20	254,449.20
Mkt. Value as on 31.03.2009, Rs.2,21,040 , P.Y.,255270/-)				
GTL Infrastructure Ltd.	(13000)	13000	1,180,802.00	1,180,802.00
Mkt. Value as on 31.03.2009, Rs.3,82,850, P.Y. 605150/-)				
Jayaswal Neco Ltd.	(5000)	5000	211,915.62	211,915.62
Mkt. Value as on 31.03.2009, Rs.48,000/- P.Y. 161500/-)				
Jhagadia Copper Ltd.	(20000)	20000	225,619.91	225,619.91
Mkt. Value as on 31.03.2009 ,Rs.67,000, P.Y. 195200/-)				
Media Video Ltd.	(6000)	6000	483,475.37	483,475.37
Mkt. Value as on 31.03.2009 Rs. 67380/-, P.Y.146100/-)				
MVL Ltd.	(4000)	4000	322,316.90	322,316.90
Mkt. Value as on 31.03.2009 Rs. 2,29,200 , P.Y. Nil)				
Power Grid Corporation Ltd.	(12000)	12000	757,981.30	757,981.30
Mkt. Value as on 31.03.2009, Rs.11,47,200/-, P.Y.1179600/-)				
Reliance Capital Ltd.	(NIL)	100	120,061.75	
Mkt. Value as on 31.03.2009 Rs.35,345/-, P.Y. Nil)				
Reliance Petroleum Ltd.	(4500)	6500	1,261,071.35	913,364.46
Mkt. Value as on 31.03.2009 Rs.6,18,150/-, P.Y. 702900/-)				
Reliance Power Ltd.	(2507)	4011	1,438,839.00	1,438,839.00
Mkt. Value as on 31.03.2009, Rs.4,10,526/-, P.Y. 797226/-)				
Reliance Natural Res. Ltd.	(1000)	1500	205,613.96	158,253.98
Mkt. Value as on 31.03.2009, Rs 67,275/-, P.Y. 99800/-)				
Southern Iron Steel Ltd.	(20000)	-	-	628,755.24
Mkt. Value as on 31.03.2009, Rs.Nil, P.Y. Nil)				
Sterlite Optical Tech. Ltd.	(1000)	1000	308,649.49	308,649.49
Mkt. Value as on 31.03.2009, Rs.70,250/-, P.Y.162850/-)				
Suven Life Sciences Ltd.	(5000)	5000	189,600.96	189,600.96
Mkt. Value as on 31.03.2009, Rs.55,000/- , P.Y. 161500/-)				
Total Quoted Investment			11,534,937.58	8,651,324.07

Unquoted Equity Shares (Fully paidup)

Wellgrow Infotech Pvt. Ltd.	(4000)	4,000	40,000.00	40,000.00
Lancet Infocom Pvt. Ltd.	(900)	900	180,000.00	180,000.00
ASM Realtors Pvt. Ltd.	(900)	900	18,000.00	18,000.00
PSS Agro & Investments Pvt. Ltd.	(70010)	70,010	3,500,500.00	3,500,500.00
Shivansh Land Developers Pvt. Ltd.	(5000)	5,000	50,000.00	50,000.00
Tapasya Projects Ltd.	(207800)	207,800	1,662,400.00	1,662,400.00
Yashi Buildcon Pvt. Ltd.	(5000)	5,000	50,000.00	50,000.00
Total:			5,500,900.00	5,500,900.00

Total Investments:

30,961,337.58 28,077,724.07



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M/S SHREE VATSAA FINANCE & LEASING LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule-E: Sundry Debtors

(Unsecured Considered Good)

Debts Outstanding for a period exceeding
six months

Other debts

2,696.64 31,976.00

Total:

2,696.64 31,976.00

Schedule-F: Cash & Bank Balances

Cash in Hand

521,521.10 174,923.10

Balances with Scheduled Banks

On Current Account:

2,074,269.56 677,280.39

Deposits Account:

22,693,354.00

Total:

2,595,790.66 23,545,557.49

Schedule-G: Loans & Advances

(Unsecured Considered Good)

Advances Recoverable in Cash or Kind
or value to be received

105,659,061.72 90,813,326.61

Security Deposits

3,500.00

Total:

105,659,061.72 90,816,826.61

Schedule-H: Current Liabilities

Due to SSI units

- -

Other sundry creditors

231,300.00 231,300.00

Sundry creditors for expenses

253,060.00 210,616.00

Total:

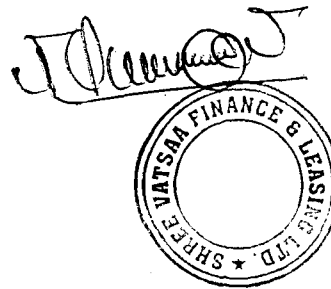
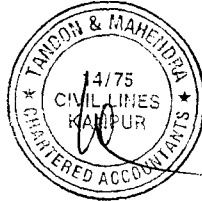
484,360.00 441,916.00

Schedule-I: Provisions

Current Tax

- 3,042,388.00

- 3,042,388.00



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M/S SHREE VATSAA FINANCE & LEASING LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule-J: Operating Income

Profit from trading in commodity exchange	-	5,847,820.26
Total:	-	5,847,820.26

Schedule-K: Income from trade investments

Div. from Companies / Mutual Funds	69,326.00	5,883.54
Profit on sale of Investments	409,576.25	2,634,877.93
Total:	478,902.25	2,640,761.47

Schedule-L: Other Incomes

Interest on Income Tax Refund	-	62,768.00
Interest on FDR UTI Bank (TDS Rs-156103/- P.Y Rs.45884)	757,780.00	222,734.00
Interest on FDR ICICI Bank (TDS Rs.Nil P.Y Rs. 88724/-)	-	430,699.00
Surrender Value of LIC Keyman Policy	-	17,850,834.00
Total:	757,780.00	18,567,035.00

Schedule-M: Personnel Cost

Remuneration to Director	600,000.00	600,000.00
Salary to Staff	644,682.00	370,800.00
Staff Welfare	15,206.00	10,340.00
Total:	1,259,888.00	981,140.00

Schedule-N:

Administrative & Other Expenses

Advertisement		21,389.00	20,625.00
<u>Auditor's Remuneration:-</u>			
Audit Fees	(P.Y Rs.16854.00)	16,545	
Income Tax Matters	(P.Y Rs. 5618.00)	5,515	
Company Law Matters	(P.Y Rs. 5618.00)	5,515	
Reimbursement of expenses	(P.Y Rs. 1530.00)	-	27,575.00
Bank Charges		1,149.72	161.00
Books & Periodicals		4,237.00	4,590.00
Communication Exps.		6,903.00	4,668.00
D-Mat Charges		883.87	6,713.45
Fee & Subscription		750.00	-
Legal Expenses		3,124.00	19,724.00
Listing Fees		123,694.00	123,694.00
Miscellaneous Expenses		6,428.47	6,225.17
Office Maintenance		15,341.00	23,802.00
Printing & Stationery		11,136.00	9,778.00
Professional Charges		-	7,584.00
Intt.charges		1,156.76	7,184.07
Repair & Maintenance		600.00	-
Security Transaction Tax		5,680.00	20,836.00
Total:		230,047.82	285,204.69

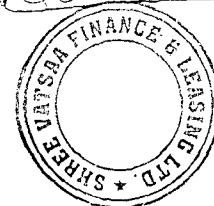
Schedule-N:

Depreciation

Depreciation on fixed assets	14,272.00	17,793.00
	14,272.00	17,793.00



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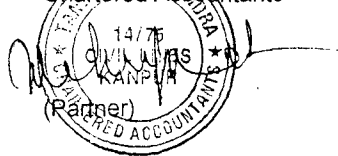
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M/S SHREE VATSAA FINANCE & LEASING LIMITED

Schedule-C, Fixed Assets, forming part of Balance Sheet as at 31st March , 2009

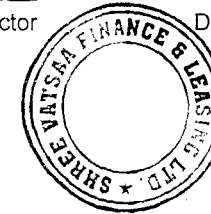
NAME OF ASSETS	GROSS BLOCK AS ON 01.04.2008	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2008	DEPRECIAT- ION UPTO 01.04.2008	DEPRECIAT- ION FOR THE PERIOD	DEDUCTION DURING THE YEAR	DEPRECIAT- UPTO 31.03.2009	NET BLOCK AS ON 31.03.2009	NET BLOCK AS ON 31.03.2008
COMPUTERS	181,175.00	-	-	181,175.00	175,273.00	2,361.00	-	177,634.00	3,541.00	5,902.00
EPABX SYSTEM	26,330.00	-	-	26,330.00	19,120.00	1,003.00	-	20,123.00	6,207.00	7,210.00
AIRCONDITIONER	20,040.00	-	-	20,040.00	8,525.00	1,602.00	-	10,127.00	9,913.00	11,515.00
OFFICE EQUIPMENTS	16,450.00	-	-	16,450.00	9,361.00	986.00	-	10,347.00	6,103.00	7,089.00
REFRIDGERATOR	8,310.00	-	-	8,310.00	5,347.00	412.00	-	5,759.00	2,551.00	2,963.00
FAX MACHINE	13,500.00	-	-	13,500.00	9,706.00	528.00	-	10,234.00	3,266.00	3,794.00
FURNITURE	9,631.00	-	-	9,631.00	7,408.00	402.00	-	7,810.00	1,821.00	2,223.00
PHOTOSTATE	128,800.00	-	-	128,800.00	81,999.00	6,510.00	-	88,509.00	40,291.00	46,801.00
TEA MACHINE	11,880.00	-	-	11,880.00	8,519.00	468.00	-	8,987.00	2,893.00	3,361.00
TOTAL	416,116.00	-	-	416,116.00	325,258.00	14,272.00	-	339,530.00	76,586.00	90,858.00
Previous Year	416,116.00	-	-	416,116.00	307,465.00	17,793.00	-	325,258.00	90,858.00	108,651.00

For Tandon & Mahendra
Chartered Accountants



For Shree Vatsaa Finance & Leasing Ltd.

[Signature] . *[Signature]*
Director Director



SHREE VATSAA FINANCE & LEASING LTD.

Notes on accounts for the year ended on 31-03-2009

Schedule No. - P

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.

Deprecation 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.



SHREE VATSAA FINANCE & LEASING LTD.

Notes on accounts for the year ended on 31-03-2009

Schedule No. - P

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. Nil (P.Y Rs. 40.00 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, 2009
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	6.00 Lacs (P.Y Rs. 6.00 Lacs)

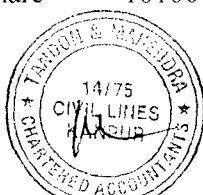
8. **Deferred Tax Assets / Liability**
Consequent to the Accounting Standard-22 on " Accounting for Taxes on Income", the deferred tax credit/(debit) of Rs. 1,02,331/- cr (P.Y Rs. 56,99,449/- dr) is recognized in the Profit & Loss Account. Deferred Tax Asset (As shown in the bracket below) and deferred tax liability has been worked out as under:

	Year ended 31.03.2009	Year ended 31.03.2008
Fixed Assets	0.10 Lacs	0.13 Lacs
Brought Forward Losses & Depreciation	1.00 Lacs	Nil Lacs
TOTAL	0.90 Lacs	0.13 Lacs

9. **EARNING PER SHARE:**

Earning per share has been calculated as under:

	Year 31.03.2009	Year 31.03.2008
Profit/(Loss) After Tax	(2,65,456/-)	1,70,29,642/-
Weighted Average No. of equity share	10100000	10100000



SHREE VATSAA FINANCE & LEASING LTD.

Notes on accounts for the year ended on 31-03-2009

Schedule No. - P

Basic Earning Per Share (0.03) 1.69

10. Detail of investments purchased & sold during the year under consideration are as follows:

Sl.No.	Name of Shares	No. of Shares		Purchase Cost		Sales Value	
		C.Y	P.Y	C.Y	P.Y	C.Y	P.Y
1.	Arrow Webtex Ltd.	----	2400	----	419897	----	552208
2.	Binani Cement Ltd.	----	500	----	54539	----	61097
3.	Cinemax India Ltd.	----	500	----	65484	----	68090
4.	Development Credit Ltd.	----	1500	----	168768	----	179834
5.	DLF Ltd.	----	1500	----	1399179	----	1411079
6.	IFCI Ltd.	----	3000	----	265710	----	267128
7.	Jaiprakash Hydro Power Ltd.	----	1500	----	144834	----	154902
8.	Jai Prakash Associates Ltd.	----	200	----	204108	----	288971
9.	Kotak Mahindra Bank Ltd.	----	200	----	172256	----	202611
10.	Nagarjun Fertilizer	----	5000	----	290481	----	33165
11.	Reliance Capital Ltd.	----	100	----	147352	----	214214
12.	Reliance Comm. Ltd.	----	200	----	145362	----	155311
13.	Reliance Energy Ltd.	----	400	----	672497	----	701236
14.	Reliance Industries	----	100	----	249610	----	280826
15.	Reliance Petroleum	----	3000	----	764216	----	804324
16.	SBI Ltd.	----	100	----	866716	----	210507
17.	TATA Power Co.	----	200	----	192049	----	248777

11. Market Value of Arrow Textile Ltd. as at 31.03.2009 is not available due to restructuring and merger respectively. Market Value of MVL Ltd. & Southern Iron Ltd. as at 31.03.2008 are not available due to restructuring and merger respectively.

12. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956, is being furnished separately at Annexure A.

13. Previous year figures have been regrouped, rearranged or recasted wherever considered necessary.


14. Schedule A to P form integral part of the accounts and are duly authenticated.

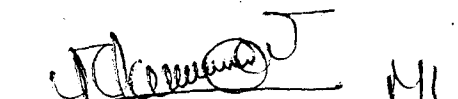
Place: Kanpur

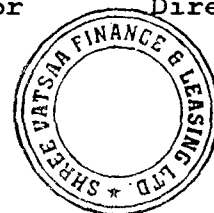
Date: August 31th, 2009

For Tandon & Mahendra
Chartered Accountants

For SHREE VATSAA FINANCE
& LEASING LTD.


Mahendra Nath
Partner


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.

(Signature)
Director

(Signature)
Director



SHREEVATSAA FINANCE AND LEASING LTD.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE
YEAR ENDED 31.03.2009

1. Registration Details

Registration No. (CIN) : L 45201UP1986PLC008364
State Code : 20
Balance Sheet Date : 31st March, 2009

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 : 139360.83
Total Assets : 139360.83

Sources of Funds

Paid up Capital : 100950.00
Reserve & Surplus : 37926.47
Secured Loans : Nil
Unsecured Loans : Nil
Deferred Tax Liabilities : Nil

Application of Funds

Net Fixed Assets : 76.59
Investments : Nil
Net Current Assets : 107773.19
Misc. Expenses : Nil
Deferred Tax Asset : 65.36
Accumulated Losses : Nil

Performance of the Company (Amount in Rs. Thousand)

Turnover and Other Incomes : 1236.68
Total Expenditure : 1504.21
Profit before Tax : (267.53)
Profit after Tax : (189.64)
Earning Per Share : Nil
Dividend Yield : Nil

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

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

Auditors Report:

As per our separate report of even date attached.

For Shreevatsaa Finance & Leasing Ltd.

Director

Place: Kanpur

Date : 31-08-2009

