

CAR LOAN



PERSONAL LOAN



MACHINE LOAN



17th ANNUAL REPORT-2010-2011

BUYING MADE EASY

SRS FINANCE LTD.

Contents

Corporate Information	1
Notice	2
Directors' Report	5
Corporate Governance Report	8
Management's Discussion & Analysis	18
Certifications by MD & CFO	21
Auditors' Certificate on Corporate Governance	23
Auditors' Report	24
Balance Sheet	29
Profit & Loss Account	30
Cash Flow Statement	31
Schedules to the financial statements	32
Abstract	52

Board of Directors

Sh. Raju Gupta	-	Managing Director & CEO
Sh. Dinesh Kumar Khatri	-	Whole-Time Director & CFO
Sh. Rajesh Mangla	-	Non - Executive Director
Sh. Mukesh Kumar	-	Independent Director
Sh. Praveen Sharma	-	Independent Director
Sh. Lalit Kumar	-	Independent Director

Company Secretary

Ms. Rakhi Mehta

Auditors

M/s. Naresh Jai & Associates
Chartered Accountants

Bankers

Union Bank of India
Corporation Bank

Regd. Office

SRS Multiplex, Top Floor,
City Centre, Sector-12,
Faridabad,
Haryana-121007
Ph. : 0129-4282801-08
Fax : 0129-4282809-10
www.srsparivar.com

Notice

Notice is hereby given that 17th Annual General Meeting of the members of **SRS Finance Limited** will be held as scheduled below:-

Day/ Date : Friday/30th September, 2011
Time : 11:30 A.M.
Venue : SRS Banquet,
Near SRS Multiplex,
City Centre, Sector-12,
Faridabad,
Haryana-121007

to transact the following business:

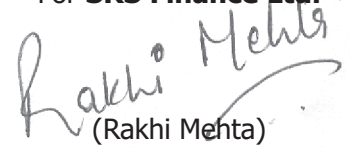
ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2011 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Rajesh Mangla, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Sh. Mukesh Kumar, Who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint Auditors and fix their remuneration by passing the following resolution as an Ordinary Resolution with or without modification(s): -

"RESOLVED THAT M/s. Naresh Jai & Associates, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for auditing the Accounts of the Company for the year 2011 – 2012 and the Board of Directors be and is hereby authorized to fix their remuneration."

Place: Faridabad
Date: 31.08.2011

By Order of the Board
For **SRS Finance Ltd.**


(Rakhi Mehta)
Company Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. A Proxy to be effective must reach at the Registered Office not later than 48 hours before the schedule time of the Meeting.
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Information under Clause 49 of the Listing Agreement regarding reappointment of Directors in Item Nos. 2 & 3 of the Notice is also annexed hereto separately and forms part of the Notice.
4. Members holding shares in physical mode, in identical order of names in more than one folio are requested to write to the Company's RTA at the address mentioned below at No.5 enclosing their share certificates to consolidate their holdings in one folio.
5. Please send your requests for transfer/transmission/consolidation and demat of shares, change of address or any other matter to our Registrar & Transfer Agents at the following address: -

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
BEETAL HOUSE, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
New Delhi - 110062
6. The Register of Members and Share Transfer Books of the Company will be closed from 26th September, 2011 to 30th September, 2011 (both days inclusive).
7. The Members desirous of appointing their nominee for the shares held by them, may apply for the same by submitting the Nomination Form (Form 2-B) to the RTA's at the above mentioned address.
8. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on working days between 11.00 A. M. to 1.00 P. M. upto the date of ensuing Annual General Meeting.
9. Members desiring any information/clarification on the accounts are requested to write to the Company atleast 10 days in advance, so as to enable the management to keep the information ready at the Annual General Meeting.
10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
12. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their copies along with them to the Meeting.

INFORMATION UNDER CLAUSE 49(IV) (G) (i) OF THE LISTING AGREEMENT REGARDING APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Name of Director	Date of Birth	Qualification	Experience	Directorship in other Indian Public Ltd. Companies	Chairmanship/Membership of Committees of the Board of Public Ltd. Companies
Sh. Rajesh Mangla	25/12/1967	Higher Secondary	12 Years	1. SRS Portfolio Limited 2. SRS Jewells Limited 3. SRS Mines & Minerals Limited	NIL
Sh. Mukesh Kumar	19/05/1977	Senior Secondary	11 Years	NIL	NIL

Place: Faridabad
 Date: 31.08.2011

By Order of the Board
 For **SRS Finance Ltd.**

Rakhi Mehta
 (Rakhi Mehta)
 Company Secretary

Directors' Report

INTRODUCTION

Your Directors feel pleasure in presenting the 17th Annual Report of your Company along with the Audited Accounts of the Company for the period ended 31st March, 2011

FINANCIAL RESULTS

During the year under review, your Company registered a Net Profit after tax of **Rs.65.06 Lacs**. The Summary of the operating results is as under: -

(Amount in lacs)

Particulars	31.03.2011	31.03.2010
Gross Sales/Operational Revenues	3699.83	7553.28
Other Income	28.93	18.59
Total Income	3728.76	7571.87
Profit/(Loss) before Financial Expenses, Depreciation and Tax	438.88	319.77
Interest and Financial Expenses	283.17	161.79
Profit/(Loss) before Depreciation & Tax	155.71	157.98
Depreciation	47.14	50.43
Profit/(Loss) before Tax	108.57	107.55
Provision for Tax		
- Current	45.72	41.75
- Deferred Tax	(3.25)	12.21
- Earlier Years	1.04	1.82
Profit after Tax	65.06	51.77
Amount transferred to Special Reserve u/s 45-IC of RBI Act, 1934	13.01	10.35
Profit/(Loss) brought forward from previous year	70.34	28.92
Amount carried to Balance Sheet	122.39	70.34
Earning Per Share (Rs.)		
- Basic	0.066	0.058
- Diluted	0.066	0.058

DIVIDEND

Yours Directors have considered it financially prudent in the long term interest of the Company to reinvest the profits to build a strong reserve base and grow the business of the Company. No dividend has, therefore, been recommended for the year ended 31st March, 2011.

BOARD OF DIRECTORS

In accordance with the Articles of Association of the Company and in view of the provisions of Section 256 of the Companies Act, 1956, Sh. Rajesh Mangla, and Sh. Mukesh Kumar retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

A brief profile of Directors, containing details of Directors proposed to be appointed / reappointed as stipulated under Clause 49 of the Listing Agreement is appended to the Notice of the ensuing Annual General Meeting.

FIXED DEPOSITS

Your company has not accepted any deposits from the Public and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet for the year ended 31st March, 2011.

AUDITORS

M/s. Naresh Jai & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/s. Naresh Jai & Associates to the effect that their reappointment, if made, would be within the limits prescribed u/s 224(1-B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

The observations of the Auditors and notes on the statement of accounts are self- explanatory.

RESERVE BANK OF INDIA (RBI) GUIDELINES

During the year under review, your Company has complied with all the applicable regulations of the Reserve Bank of India.

The Capital Adequacy Ratio as at 31st March, 2011 is 78.30%.

CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance and Certificate of the Auditors of your Company pursuant to Clause 49 of the Listing Agreement has been set out separately, forming part of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Report on Management's Discussion & Analysis forming part of this report is annexed herewith.

PERSONNEL

There are no employees during the period drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956. As such, no particulars are required to be furnished.

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

The particulars in respect of energy conservation and technology absorption are not applicable to the Company.

Foreign Exchange earning & outgo : NIL

DIRECTORS' RESPONSIBILITY STATEMENT

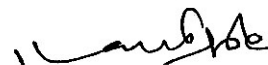
Pursuant to Section 217(2AA), the Directors of the Company confirm the following: -

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
2. that Directors had 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;
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors of the Company wish to place on record their thanks & gratitude to the Government Authorities, Bankers, Stock Exchanges, RBI, SEBI and other Financial Institutions and place on record their sincere appreciation for the efforts put in by the employees at all levels and cooperation extended by all those associated with the Company.

On Behalf of the Board
For **SRS Finance Ltd.**



(Raju Gupta)
Managing Director & CEO
DIN - 00006972



(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

Place : Faridabad
Date : 31.08.2011

Corporate Governance Report

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency and accountability are the two tenets of Corporate Governance. Beyond mere compliance, we are committed towards all strategic initiatives to enhance shareholders wealth in the Long term. In pursuit of corporate goals, the Company accords high importance to transparency, accountability and integrity in its dealings.

We, at SRS acknowledge our individual and collective responsibilities to manage our business activities with integrity. To succeed we believe, requires the highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have impact.

The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how the Management serves the short and the long term interests of shareholders and other stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors (the Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

The Board comprises of Six (6) Directors – Two (2) Executive Directors and Four (4) Non- Executive Directors. Out of Four (4) Non- Executive Directors, Three (3) are Independent.

None of the Directors on the Company's Board is a member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Investor's Grievance Committee) across all the Companies in which he is a Director. None of the Directors of the Company are related to each other. The appointment of the Managing/Whole-Time Director, including the tenure and terms of remuneration is also approved by the members.

Meetings of the Board of Directors

During the year under review, Fourteen (14) Board Meetings were held on 14th April, 2010; 26th April, 2010; 14th May, 2010; 24th May, 2010; 1st June, 2010; 5th July, 2010; 12th August, 2010; 14th August, 2010; 12th November, 2010; 23rd November, 2010; 2nd December, 2010; 2nd February, 2011; 14th February, 2011; and 10th March, 2011.

Constitution of Board and their Attendance

The Constitution of the Board of Directors, their attendance at the Board Meetings, Annual General Meeting and directorship/chairmanship in other companies are given below:-

3. COMMITTEES OF DIRECTORS

Audit Committee

The Audit Committee comprises of the following Three (3) Non-Executive/Independent Directors who have the requisite financial & accounting acumen & knowledge.

Sh. Lalit Kumar (Chairman)
Sh. Mukesh Kumar
Sh. Praveen Sharma

Ms. Rakhi Mehta, Company Secretary, acts as Secretary of the Audit Committee.

Meetings and Attendance

During the year under review, Five (5) meetings of the Audit Committee were held on 14th May, 2010; 12th August, 2010; 14th August, 2010; 12th November, 2010 and 14th February, 2011.

Name of Member	Designation	Category	Meetings Attended
Sh. Lalit Kumar	Chairman	Independent	5
Sh. Mukesh Kumar	Member	Independent	5
Sh. Praveen Sharma	Member	Independent	5

Representatives of Statutory Auditors and Personnel of Finance, Accounts, Secretarial, Audit and other departments are invited who are considered necessary for providing inputs to the Committee.

Terms of reference of the Audit Committee meet the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee are: -

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
- ii. Recommending the appointment, reappointment and replacement/removal of the statutory auditors and fixation of audit fee.
- iii. Approving payment for any other services to statutory auditors.
- iv. Reviewing with management the monthly, quarterly & annual financial statements before submission to the Board focusing primarily on ;
 - a) Matters required to be included in the Directors Responsibility Statement (which is included in the report of the Board of Directors).
 - b) Statement of significant related party transactions;
 - c) Any change in the accounting policies and practices.
 - d) Qualifications in draft audit report.
 - e) Significant adjustments arising out of audit.
 - f) Compliance with listing and other legal requirements.
 - g) Internal audit reports relating to internal control weaknesses;
 - h) The appointment, removal and remuneration of Chief Internal Auditor.
 - i) The financial statements, in particular, the investments made by subsidiary companies.
 - j) Management letters / letters of internal control weakness issued by the Statutory Auditors

- v. Discussions with Statutory Auditors before the audit commences, about the nature, scope and time frame of the audit, as well as post-audit discussions to ascertain any areas of concern, presentation of annual accounts etc.
- vi. Reviewing ongoing relationship of business partners/associates.
- vii. Such other functions as may be considered appropriate by it or referred to it by the Board from time to time.

The Audit Committee, besides overseeing the Company's financial reporting process and reviewing the monthly, quarterly & annual financial statements before submission to the Board, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved.

The minutes of the meetings of the Audit Committee are confirmed in the next meeting of the Audit Committee and also placed before the Board for noting.

Investors' Grievance & Share Transfer Committee

The Investors' Grievance & Share Transfer Committee oversees redressal of shareholders and investors grievances, transfer of shares, non-receipt of balance sheets and related matters. The Committee also oversees the performance of the registrar and transfer agent, recommends measures for overall improvement in the quality of investor's services approves issue of duplicate/split/consolidation of share certificates and reviews all matters connected with the securities transfers.

During the year, Four (4) meetings of the Committee were held on 31st May, 2010; 10th September,2010; 25th February,2011 and 15th March,2011.

The attendance of the Investor's Grievance & Share Transfer Committee members is given below:-

Name of Members	Designation	No. of meetings attended
Sh. Rajesh Mangla	Chairman	4
Sh. Raju Gupta	Member	4
Sh. Dinesh Kumar Khatri	Member	4

Ms. Rakhi Mehta, Company Secretary, acts as Secretary of the Committee and is designated as Compliance Officer.

During the year 2010-11, one complaint was received from shareholder/investor, which was resolved and thus no complaint was pending at the end of the year.

Remuneration Committee

The Remuneration Committee as on 31st March, 2011 comprises of:-

Sh. Mukesh Kumar (Chairman)
 Sh. Praveen Sharma
 Sh. Lalit Kumar

During the year one committee meeting was held on 12th August, 2010 and was attended by all the members.

4. GENERAL BODY MEETINGS

The last 3 Annual General meetings of the Company were held as under:-

- 16th Annual General Meeting - Wednesday, 29th September, 2010
 11.30 A.M.
 "SRS Banquet"
 Near SRS Multiplex, Top Floor,
 City Centre, Sector-12,
 Faridabad,
 Haryana-121007

- 15th Annual General Meeting - Saturday, 8th August, 2009
 1:30 P.M.
 Deputy Speaker Hall,
 'Bharatiyam',
 Constitution Club,
 Vithalbhai Patel House,
 Rafi Marg, Behind Reserve Bank of India,
 New Delhi- 110001

- 14th Annual General Meeting - Monday, 14th July, 2008
 9.30 A. M.
 'The Crystal',
 K-4, Pragati Maidan,
 New Delhi – 110001

All resolutions moved at the Last Annual General Meeting were passed unanimously by show of hands.

There were no special resolutions passed by the Company necessitating postal ballot at any of the above meetings. The following are the Special Resolution passed at the previous Annual General Meetings held in past 3 years.

AGM held on	Whether Special Resolution passed	Summary of Special Resolution
15th Annual General Meeting held on 8th August, 2009	Yes	Reversal of resolution passed pertaining to listing of securities at BSE & NSE Reversal of resolution passed pertaining to de-listing of securities from JSE & ASE
14th Annual General Meeting held on 14 th July, 2008	Yes	Listing of Securities at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Delisting of Securities from Jaipur Stock Exchange Ltd. (JSE) and Ahmedabad Stock Exchange Ltd. (ASE)

The following Extraordinary General Meetings were held during the last three years.

Year	Venue	Date	Time
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Saturday/20.03.2010	11.30 A.M
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Saturday/28.11.2009	1.30 P.M
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Wednesday/30.09.2009	11.30 A.M
2008-09	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Saturday/15.11.2008	2.30 P.M
2008-09	The Crystal' K-4, Pragati Maidan, New Delhi – 110001	Wednesday/03.09.2008	9.30 A.M.

During the year no special resolution was passed through Postal Ballot.

5. SECRETARIAL AUDIT

Secretarial Audit is being carried out by Company Secretary in Practice on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number in physical form and the total number of dematerialized shares held with NSDL and CDSL.

This audit, as process, acts both as a preventive check as well as verification of compliance with various applicable corporate and securities laws.

6. CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct applicable to all Board Members and Senior Management Personnel and they have affirmed their Compliances with the said code during the year under review. The Code has been drafted considering the three interlinked fundamental principles i.e. good corporate governance, good corporate citizenship and exemplary personal conduct. As required, the declaration by the Managing Director under Clause 49 affirming compliance with the code of conduct by all members of the Board and Senior Management Personnel for the year ended 31st March, 2011 is annexed to this Corporate Governance Report.

The Code of Conduct has been displayed on the Group's website at www.srsparivar.com.

Code of Conduct for Prevention of Insider Trading & Corporate Disclosure Practice

Your Company has adopted the Code of Conduct for Prevention of Insider Trading & Corporate Disclosure Practices. This Code prohibits the purchase/sale of shares of the Company by employees in possession of unpublished price sensitive information pertaining to the Company.

This Code is applicable to all the Directors, Senior Management Personnel, Business Heads and such other employees of the Company who are expected to have access to unpublished price sensitive information.

7. MATERIAL DISCLOSURES

● Related Party Transactions

Related parties and transactions with them as required under Accounting Standard- 18 are given under Note No. 12 of Schedule 21 of the Notes to the Accounts attached with financial statements for the year ended 31st March, 2011. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

● Legal Compliances

The Company has complied with all applicable rules & regulations prescribed by Stock Exchanges, SEBI and/or any other statutory authority during the preceding three (3) years on all the matters related to capital market.

● Risk Assessment And Minimization Procedures

The Board/Audit Committee on regular intervals reviews the risks and makes plans to mitigate the same.

● Conflict of interest

Based on the Disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material financial or commercial transactions where in they had personal interest that could have a conflict with the interest of the Company at large.

● CEO and CFO Certification

A certificate, in accordance with the requirements of Clause 49(V) of the Listing Agreement, duly signed by the Managing Director (CEO) and Chief Financial Officer (CFO) in respect of the year under review was placed before the Board and taken on record by it.

● Compliances

The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) and, to the best of its knowledge; there are no deviations in the accounting treatments which require specific disclosure. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement as applicable. The non-mandatory requirements are not being complied with for the time being.

8. MEANS OF COMMUNICATION

The quarterly/half yearly and annual financial results of the Company are generally published in The Pioneer/Business Standard in English and Hari Bhoomi/Veer Arjun in Hindi for the information of all the Shareholders. In addition, the quarterly/half yearly and annual financial results are posted on the Group's website at www.srsparivar.com.

All material information about the Company is promptly sent to the stock exchanges and regular notices/updates are given/provided to the media and shareholders about its financial as well as other developments.

Annual Report containing inter-alia Audited Accounts, Directors' Report, Corporate Governance Report, Management Discussion & Analysis Report and all other important information is sent to the shareholders and others entitled thereto.

9. GENERAL SHAREHOLDER INFORMATION

- | | | |
|----|---|--|
| a) | 17 th Annual General Meeting | |
| | - Day & Date | Friday, 30th September, 2011 |
| | - Time | 11.30 A.M |
| | - Venue | "SRS Banquet"
Near SRS Multiplex, Top Floor,
City Centre, Sector-12,
Faridabad,
Haryana-121007 |

No Special Resolution is proposed to be conducted by postal ballot.

- | | | |
|----|----------------------------|--|
| b) | Financial Year | 1 st April to 31 st March |
| c) | Book Closure | 26 th September, 2011 to 30 th September, 2011
(Both days inclusive) |
| d) | Listing at Stock Exchanges | <p>Delhi Stock Exchange Ltd.
DSE House, 3/1 Asaf Ali Road,
New Delhi – 110002
Ph. No.-011-23292417-418
Fax No.-011-23292181</p> <p>Jaipur Stock Exchange Limited
Stock Exchange Building,
JLN Marg, Malviya Nagar,
Jaipur – 302017
Ph. No.-0141-2729094
Fax No.-0141-2729082</p> <p>Ahmedabad Stock Exchange Limited
Kamdheni Complex,
Opp. Sahajanand College,
Panjara Pole, Ambawadi,
Ahmedabad – 380015
Ph. No.-079-26307971-74
Fax No.-079-26308877
Website – www.aseindia.org</p> |

- e) Registrar and Transfer Agents BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
BEETAL HOUSE, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
New Delhi – 110062

To expedite the share transfer, Shareholders/Investors' Grievance Committee is constituted to authorize all the transfers; transmission etc. and all shares transfer/transmission/transposition are handled by our RTA's.

f) **Key financial reporting details for the financial year (F.Y) 2010-11**

Un-Audited results for the First quarter ended 30th June, 2010	:	2 nd week of August, 2010
Unaudited results for the Second quarter/Half year Ended 30th September, 2010	:	2 nd week of November, 2010
Unaudited results for the Third quarter Ended 31 st December, 2010	:	3 rd week of February, 2011
Unaudited results for the Fourth quarter Ended 31 st March, 2011	:	2 nd week of May, 2011
Audited results for the Financial Year ended 31 st March, 2011	:	31 st August, 2011

g) **Dematerialization of Shares**

The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE002J01019.

As on 31st March, 2011, 96576658 equity shares equivalent to 98.43% of total equity shares are held in dematerialized form with NSDL and CDSL

h) **Distribution of shareholding**

Shareholding Of Nominal Value	No. of Shareholders	%	No. of Shares	Amount (in Rs.)	%
UP TO 5000	482	71.73	25,738	2,57,380.00	0.0262
5001 TO 10000	12	1.79	10,044	1,00,440.00	0.0102
10001 TO 20000	10	1.49	13,910	1,39,100.00	0.0142
20001 TO 30000	1	0.15	2,700	27,000.00	0.0028
30001 TO 40000	1	0.15	3,200	32,000.00	0.0033
40001 TO 50000	2	0.30	10,000	1,00,000.00	0.0102
50001 TO 100000	30	4.46	2,27,778	22,77,780.00	0.2321
100001 AND ABOVE	134	19.94	9,78,28,223	97,82,82,230.00	99.7010
TOTAL	672	100.00	9,81,21,593	98,12,15,930.00	100.0000

- i) All requests and other communications/correspondence should be sent at the Company's Registered Office at: -

Ms. Rakhi Mehta
Company Secretary
SRS Finance Ltd.
SRS Multiplex, Top Floor,
City Centre, Sector-12,
Faridabad - 121007
Ph.0129-4282845
Fax 0129-4036560
Email:rakhimehta@srsparivar.com

The non-mandatory requirements are not being complied with for the time being.

9. COMPLIANCE CERTIFICATE FROM THE AUDITORS

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement. The certificate is annexed.

On Behalf of the Board
For **SRS Finance Ltd.**



(Raju Gupta)
Managing Director & CEO
DIN - 00006972



(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

Place : Faridabad
Date : 31.08.2011

MANAGEMENT'S DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

The Indian economy sits on a strong foundation of growth and stability. However, the same cannot be said for the world in general, with financial dragons enveloping countries like Greece and Portugal on one hand and the debt crisis heating up the US economy like never before. For the first time in history, US treasury bonds saw a downgrade in its ratings from AAA to AA-. Combined, these developments have broken a string of nervousness all across the globe, melting the performers and under-performers alike.

But there is reason to believe that these troubled clouds shall blow away sooner or later. The International Monetary Fund (IMF) projected that global growth will recover from (-) 0.8 percent in 2009 to 3.9 percent in 2010 and further 4.3 percent in 2011. The Three major factors that have contributed to the improved global outlook are the massive monetary and fiscal support, improvement in confidence and a strong recovery in EMEs (Emerging market economies). However, the large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets.

INDIAN ECONOMIC OVERVIEW

Today, the Indian economy is dynamic and expanding, and has emerged with remarkable rapidity from the slowdown caused by the global financial crisis of 2007-09. With growth in 2009-10 now estimated at 8.0 per cent by the Quick Estimates released on 31 January, 2011 and 8.6 per cent in 2010-11 as per the Advance Estimates of the Central Statistics Office (CSO). Growth is strong in 2010-11 (as per the advance Estimates) with a rebound in agriculture and continued momentum in manufacturing, though there has been deceleration in service sector. The main cause of deceleration is mainly by the deceleration in community, social and personal services reflecting the base effect of fiscal stimulus in the previous two years.

The medium - to long run prospect of the economy, including industrial sector, continues to be positive. On the demand size, a rise in savings and investment and pick up in private consumption have resulted in strong growth of the Gross Domestic Product (GDP) at constant market prices at 9.7 per cent in 2010-11.

However, food inflation, higher commodity prices and volatility in global commodity markets have been a cause of concern underscoring the need for fiscal consolidation and stronger reserves. The high inflation levels are undermining the growth pace of the Indian economy. Repeated interventions by the RBI to tame inflation have led to a regime of higher interest rates, making capital expensive for businesses, as well as loans more expensive for consumers. The dire steps to control inflation are therefore now acting as dampeners for overall growth as well. However, with the underlying, inherent strength of the Indian economy, the future looks as promising as ever.

COMPANY REVIEW

Your Company has traditionally been in the trading of shares; leasing, financing and investment business. Its investments are held in group companies as well as in other external Corporates. The year 2010-11 was a year of growth for the Company. The total amount of loan given as on 31st March, 2011 amounted to Rs.4981.54 Lacs.

The Company got itself registered with Experian Credit Information Company of India Pvt. Ltd., a Company registered under the Credit Information Companies (Regulation) Act, 2005 (CICRA). This is one of the steps that your Company has initiated with a view to mitigate frauds and it would further help the Company in the area of Credit Risk Management.

Company Operations

Your Company is exclusively focused on the financing business. This includes retail and commercial financing.

Under retail financing, the Company is focusing on financing automobiles (two, three and four wheelers as well as commercial vehicles), consumer durables as well as extending hassle-free personal loans.

In the commercial segment, the Company offers corporate financing, project finance, and corporate loan syndication. Your Company sees tremendous potential in this area, and aims to increasingly focus on loan syndication and professional services. The team for this is being expanded and over a period of time, this business segment will expand significantly in terms of its geographical area as well as quantum of business.

Performance Review

In the year 2010-11 the revenue of your Company stood at Rs.3728.76 Lacs with net profit after tax marking an increase of 25.67% to touch Rs.65.06 Lacs. Total advances as on 31st March, 2011 stood at Rs.4981.54 Lacs and an EPS for the year stood at 0.066. The Company's track record in assessing the profile has been exceptionally good.

RISK MANAGEMENT- LEVERAGING OUR EXPERIENCE

Risk management is an integral part of the Company's business process. With the help of experts in this field, risks are carefully mapped and a risks management framework is evolved. Pertinent policies and methods are set forth to mitigate such risks.

Types of Risks:

- Operational Risks: The operational risks can be avoided through proper internal controls and efficient credit management policy.
- Interest Rate Risks: This risk can be mitigated through balanced mix of fixed and floating rate loans.
- Human Resources Risk: Continuous upgrading of skills through various trainings.

HUMAN RESOURCES

The Company considers its employees to be the most valuable asset and is committed to providing a conducive work environment to enable each individual employee to fully realize his or her potential. One of the cornerstones of the company culture is teamwork and continuous learning. To promote this, the company focused on supporting people to unlock their potentials and to enable them to work with a superior team spirit. The Company's HR measures revolve around this philosophy. As on 31st March, 2011, there were 17 employees on the payrolls of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal controls to ensure that all assets are safe guarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly and adequately.

The Internal control system provides for well documented policies, guidelines, authorizations and approvals procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the company.

CAUTIONARY STATEMENTS

Statements in this Management Discussion and Analysis Report describing Company's objectives, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual Results might differ substantially or materially from those expressed or implied. Important factors that could influence the Company's operations include global and domestic financial conditions, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

On behalf of the Board



(Raju Gupta)
Managing Director & CEO
DIN - 00006972




(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

Place : Faridabad
Date : 31.08.2011

Certifications by MD & CFO of the Company

We, Raju Gupta, Managing Director & CEO and Dinesh Kumar Khatri, Whole Time Director & CFO, of 'SRS Finance Limited', to the best of our Knowledge and belief, certify that:

1. We, have reviewed the Financial Statements and Cash Flow Statements for the year and to the best of the our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, wherever applicable:
 - a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
 - b) Significant changes in internal control over financial reporting during the year;
 - c) Significant changes in accounting policy during the year and that the same have been disclosed in the notes to the financial statements.
 - d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.



(Raju Gupta)
Managing Director & CEO



(Dinesh Kumar Khatri)
Whole Time Director & CFO

Place: Faridabad
Date: 31.08.2011

Declaration regarding compliance with the code
of conduct of the Company by Board members
and senior management personnel

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and senior personnel of the Company.

I declare that the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company.



Place: Faridabad
Date: 31st August, 2011

(Raju Gupta)
Managing Director & CEO

**Auditors Certificate regarding
Compliance of conditions of
Corporate Governance.**

Annual Report
2010-2011
SRS FINANCE LTD.

To the Members of
SRS Finance Ltd.

We have examined the Compliance of Corporate Governance by SRS Finance Ltd.(the Company) for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Naresh Jai & Associates**
Chartered Accountants
Firm Regn. No. 019082N



CA Naresh Goyal
(Partner)
Membership No.501487

Auditors' Report

To,
The Members of
SRS FINANCE LIMITED,
Faridabad.

1. We have audited the attached Balance Sheet of **SRS FINANCE LIMITED** ('the Company') as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with the 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 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 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 the Companies (Auditor's Report) (Amendment) Order, 2004] [hereinafter referred to as 'Order'] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement 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 written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Naresh Jai & Associates**
Chartered Accountants
Firm Regn. No. 019082N



CA Naresh Goyal
(Partner)
Membership No. 501487

Place : Faridabad
Date : 31.08.2011

Annexure to the Auditors' Report

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

- i.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, major fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to book records.
 - (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- ii.
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii.
 - (a) As per the information and explanations provided to us, the Company has granted loan to 1 company covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 2567 lacs and the year-end balance of loans given from such parties was Rs. 1761 lacs.
 - (b) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
 - (c) The repayment of the principal amount of loan given and interest has been regular.
 - (d) There is no overdue amount in excess of rupees one lakh in respect of loans of the aforesaid parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - (e) The Company had taken loan from 2 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 206 lacs and the year-end balance of loans taken from such parties was Rs. Nil.
 - (f) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans taken from companies listed in the register maintained under section 301 of the Companies Act 1956 are not, prima facie prejudicial to the interest of the company.
 - (g) The repayment of the principal amount of loan taken and interest has been regular.
- iv. In our opinion and according to the information and explanation given to us, there exists an adequate internal control system 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 neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the Company.

- v. (a) According to information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs 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.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business and activities.
- viii. According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company. Therefore, provisions of Clause 4(viii) of the Order are not applicable to the Company.
- ix. (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any 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, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at 31st March 2011 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, except Income tax demand of Rs. 11.78 lacs for the financial year 1996-97, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. The company has no accumulated losses as at 31st March 2011 and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its Bankers. The Company did not have any outstanding debentures or any outstanding loans from any financial institution during the year.
- xii. In our opinion and according to the information & explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

- xiv. According to the information and explanations given to us, the Company has maintained proper records of transactions for dealing in or trading in shares, securities and other investments and shares and other securities have been held by the company in its own name.
- xv. As per the information and explanations given to us, the Company has given Corporate guarantee for loans taken by SRS Real Infrastructure Limited from banks or financial institutions. In our opinion, terms and conditions of such guarantee given are not prime facie prejudicial to the interest of the company.
- xvi. To the best of our information and knowledge and as per records verified by us, the Company has not availed any term loan during the year. Therefore, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. 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 investment.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year. Therefore, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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.

For **Naresh Jai & Associates**
Chartered Accountants
Firm Regn. No. 019082N




CA Naresh Goyal
(Partner)
Membership No. 501487

Place : Faridabad
Date : 31.08.2011

Balance Sheet As At 31.03.2011

(Amount in Rs.)

PARTICULARS	SCH.	AS AT 31.03.2011		AS AT 31.03.2010	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	981,215,930.00		981,215,930.00	
Reserves & Surplus	2	180,557,749.71	1,161,773,679.71	174,051,756.33	1,155,267,686.33
Loan Funds					
Secured Loans	3	251,622,382.90		119,786,381.76	
Unsecured Loans	4	0.00	251,622,382.90	104,621,999.00	224,408,380.76
Deferred Tax Liability (Net) (Refer note B (9) of Schedule 21)			388,118.29		713,034.13
			1,413,784,180.90		1,380,389,101.22
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	28,527,150.04		31,915,526.70	
Less: Depreciation & Amortisation		13,405,603.36		9,436,304.20	
Net Block			15,121,546.68		22,479,222.50
Investments	6		626,302,200.00		241,914,300.00
Current Assets, Loans & Advances					
Inventories	7	264,065,802.50		249,941,310.70	
Sundry Debtors	8	141,831.00		648,668.00	
Cash and Bank Balances	9	2,090,496.93		9,172,988.73	
Loans & Advances towards financing activities	10	498,153,806.21		909,725,051.76	
Other Loans & Advances	11	11,768,835.56		5,973,000.46	
		776,220,772.20		1,175,461,019.65	
Less : Current Liabilities & Provisions					
Current Liabilities	12	3,326,858.98		59,148,276.93	
Provisions	13	533,479.00		317,164.00	
		3,860,337.98		59,465,440.93	
Net Current Assets			772,360,434.22		1,115,995,578.72
Significant Accounting Policies & Notes to Accounts	21		1,413,784,180.90		1,380,389,101.22

The Schedules referred to above form an integral part of Financial Statements
As per our Report of even date annexed

For Naresh Jai & Associates

(Chartered Accountants)
Firm Regn. No. 019082N

CA Naresh Goyal
(Partner)
Membership No. : 501487



Place : Faridabad
Date : 31.08.2011

For and on behalf of the Board

(Raju Gupta)
Managing Director
DIN - 00006972

(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

(Rakhi Mehta)
Company Secretary
Membership No. : 19978

Profit & Loss Account
for the year ended 31.03.2011

PARTICULARS	SCH.	(Amount in Rs.)	
		YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
INCOME			
Operational Revenues	14	369,983,172.75	755,327,596.38
Other Incomes	15	2,892,822.70	1,859,545.76
Increase/(Decrease) in Inventories		14,124,491.80	156,316,924.27
		387,000,487.25	913,504,066.41
EXPENDITURE			
Operating Expenses	16	332,907,754.21	865,264,892.93
Personnel Expenses	17	5,410,014.00	6,265,869.60
Office & Administration Expenses	18	4,719,732.20	9,821,423.80
Financial Expenses	19	28,317,547.58	16,179,215.92
Marketing & Selling Expenses	20	74,426.00	174,375.51
Depreciation	5	4,713,773.21	5,043,191.93
		376,143,247.20	902,748,969.69
Profit before Tax		10,857,240.05	10,755,096.72
Less: Provision for Tax			
Current		4,571,829.50	4,175,166.46
Deferred		(324,915.84)	1,221,086.14
Earlier Years		104,333.00	181,713.12
Profit after Tax		6,505,993.39	5,177,131.00
Transferred to Reserve U/s 45-IC of RBI Act, 1934		1,301,198.68	1,035,426.20
Brought Forward Balance of Profit & Loss Account		7,034,016.32	2,892,311.52
Amount Carried to Balance Sheet		12,238,811.03	7,034,016.32
Earning per Share (Face Value Rs. 10)			
(Basic & Diluted)		0.066	0.058

The Schedules referred to above form an integral part of Financial Statements

As per our Report of even date annexed

For Naresh Jai & Associates

(Chartered Accountants)
Firm Regn. No. 019082N

CA Naresh Goyal
(Partner)
Membership No. : 501487



For and on behalf of the Board

(Raju Gupta)
Managing Director
DIN - 00006972

(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

Place : Faridabad
Date : 31.08.2011

(Rakhi Mehta)
Company Secretary
Membership No. : 19978

Cash Flow Statement for the period ended 31.03.2011

Annual Report
2010-2011
SRS FINANCE LTD.

PARTICULARS	(Amount in Rs.)	
	YEAR ENDED 31.03.2011	YEAD ENDED 31.03.2010
A Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax (as per Profit & Loss Account)	10,857,240.05	10,755,096.72
Adjustment For:		
Depreciation	4,713,773.21	5,043,191.95
Interest Paid	28,317,547.58	16,179,215.92
Provision for diminution in value of Investment	(9,340.00)	9,340.00
Profit on sale of Fixed Assets	(157,635.58)	0.00
Loss on sale of Fixed Asset	37,224.12	8,256.67
Loss/(Profit) on sale of Current Investment	(50,800.00)	4,506.62
Dividend Income	(1,774,716.85)	(270,249.00)
Interest Received	(58,363,389.21)	(13,133,805.00)
Operating Profit Before Working Capital Change	(16,430,096.68)	18,595,553.88
Adjustment For:		
Trade and Other Receivable	407,755,579.91	(688,339,142.00)
Inventories	(14,124,491.80)	(156,316,924.24)
Trade Payable and Other Liabilities	(55,605,102.95)	(71,410,666.38)
Cash Generated From Operations	321,595,888.48	(897,471,178.74)
Direct Taxes Paid	(6,149,494.96)	(4,151,021.00)
Net Cash From Operating Activities (A)	315,446,393.52	(901,622,199.74)
B Cash Flow From Investing Activities		
Purchases of Fixed Assets	(7,999,542.00)	(70,699.00)
Proceeds from Sale of Fixed Assets	10,763,856.08	2,863,471.00
Purchases of Investments	(620,360,300.00)	(570,403,050.00)
Sales of Investments	236,032,540.00	969,063,378.81
Dividend Income	1,774,716.85	270,249.00
Interest Received	58,363,389.21	13,133,805.00
Net Cash Used In Investing Activities (B)	(321,425,339.86)	414,857,154.81
C Cash Flow From Financing Activities		
Repayments of Long Term Borrowings	1,650,360.20	(1,623,358.50)
Proceed From Short Term Borrowing (Net)	25,563,641.92	182,358,733.75
Proceeds From Issue of Shares	0.00	330,000,000.00
Interest Paid	(28,317,547.58)	(16,179,215.92)
Net Cash Used In Financing Activities (C)	(1,103,545.46)	494,556,159.33
Net Increase In Cash And Cash Equivalent (A+B+C)	(7,082,491.80)	7,791,114.40
Cash & Cash Equivalent at the Beginning of the Year	9,172,988.73	1,381,874.33
Cash & Cash Equivalent at the End of the Year	2,090,496.93	9,172,988.73
Net Increase In Cash And Cash Equivalents	(7,082,491.80)	7,791,114.40

As per our Report of even date annexed

For Naresh Jai & Associates

(Chartered Accountants)
Firm Regn. No. 019082N

CA Naresh Goyal

(Partner)

Membership No. : 501487



For and on behalf of the Board

(Raju Gupta)
Managing Director
DIN - 00006972

(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

Place : Faridabad
Date : 31.08.2011

(Rakhi Mehta)
Company Secretary
Membership No. : 19978

Schedule to the Financial Statement

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Capital		
12,50,00,000 (P.Y. 12,50,00,000) Equity Shares of Rs. 10/- each	1,250,000,000.00	1,250,000,000.00
	1,250,000,000.00	1,250,000,000.00
Issued, Subscribed & Paid Up Capital		
9,81,21,593 (P.Y. 9,81,21,593) Equity Shares of Rs.10/- each fully paid	981,215,930.00	981,215,930.00
	981,215,930.00	981,215,930.00
SCHEDULE - 2		
RESERVES & SURPLUS		
Securities Premium Account		
As per last Balance Sheet	165,000,000.00	0.00
Add:- Addition during the year	0.00	165,000,000.00
	165,000,000.00	165,000,000.00
Reserve U/s 45-IC of RBI Act, 1934		
As per last Balance Sheet	2,017,740.00	982,313.80
Add:- Addition during the year	1,301,198.68	1,035,426.20
	3,318,938.68	2,017,740.00
Profit and Loss Account		
	12,238,811.03	7,034,016.33
	180,557,749.71	174,051,756.33
SCHEDULE - 3		
SECURED LOANS		
From Banks:		
Cash Credit	99,525,475.00	0.00
Vehicle Loans	1,650,360.20	0.00
(Includes Rs. 6.41 Lacs (P.Y. Nil) falling due for payment within one year)		
From Others:		
Loan against Securities Facility	150,446,547.70	119,786,381.76
	251,622,382.90	119,786,381.76
a.) Cash Credit Facility from Corporation Bank amounting Rs. 9,95,25,475 (Previous Year Rs. Nil) is secured against Hypothecation of Inventory cum book debts/current assets. The facility is further secured by Equitable Mortgage of certain properties of SRS Real Estate Limited and Personal Guarantee of Chairman of SRS Group - Dr. Anil Jindal.		
b.) Vehicle loans were secured by hypothecation of respective vehicles.		
c.) Loan against Securities Facility is secured against stock of securities.		
SCHEDULE - 4		
UNSECURED LOANS		
Short Term Loans & Advances		
Inter- Corporate Deposits	0.00	104,621,999.00
	0.00	104,621,999.00

**SCHEDULE - 5
FIXED ASSETS**

(Amount in Rs.)

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2010	ADDITION DURING THE YEAR	SALE/TRF. DURING THE YEAR	UP TO 31.03.2011	AS AT 1.04.2010	DEP FOR THE YEAR	ADJUSTMENT ON SALE/ TRANSFER	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
PLANT & MACHINERY	2,019,361.40	756,546.00	2,735,057.40	40,850.00	128,216.88	10,604.38	133,133.51	5,687.76	35,162.25	1,891,144.51
SMALL MISC. ASSETS	4,859.00	-	-	4,859.00	4,427.36	431.64	-	4,859.00	-	431.64
VEHICLES	8,063,099.64	2,730,371.00	897,097.00	9,896,373.64	1,331,449.57	892,292.92	130,451.88	2,093,290.61	7,803,083.03	6,731,650.07
LAND	6,995,000.00	-	-	6,995,000.00	-	-	-	-	6,995,000.00	6,995,000.00
FURNITURE & FIXTURES	2,840,476.26	998,276.00	3,838,752.26	-	362,844.09	15,235.06	378,079.15	-	-	2,477,632.17
LEASEHOLD IMPROVEMENTS	285,092.00	3,498,599.00	3,783,691.00	-	35,085.76	37,163.75	72,249.51	-	-	250,006.24
BUILDING	317,313.40	-	-	317,313.40	39,051.20	5,172.21	-	44,223.41	273,089.99	278,262.20
COMPUTERS	133,321.00	15,750.00	133,321.00	15,750.00	30,559.99	538.59	30,559.99	538.59	15,211.41	102,761.01
GOODWILL	11,257,004.00	-	-	11,257,004.00	7,504,669.34	3,752,334.66	-	11,257,004.00	-	3,752,334.66
CURRENT YEAR	31,915,526.70	7,999,542.00	11,387,918.66	28,527,150.04	9,436,304.19	4,713,773.21	744,474.04	13,405,603.36	15,121,546.68	22,479,222.51
PREVIOUS YEAR	34,983,699.79	70,699.00	3,138,872.09	31,915,526.70	4,660,256.66	5,043,191.93	267,144.42	9,436,304.20	22,479,222.50	

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 6		
INVESTMENTS		
Long Term, Unquoted, Non-Trade - At Cost		
1). SRS Ltd. Nil (Previous Year 1,66,96,654) equity shares of Rs. 10/- each	-	167,043,790.00
2). Aakash Infratrade Pvt. Ltd. 78,091 (Previous year Nil) equity shares of Rs.10/- each	39,045,500.00	-
3). Ahead Enterprises Ltd. 2,95,000 (Previous year Nil) equity shares of Rs.10/- each	59,000,000.00	-
4). Daksh Developers Pvt. Ltd. 41,100 (Previous year Nil) equity shares of Rs.10/- each	20,550,000.00	-
5). First Realtrade Pvt. Ltd. 65,048 (Previous year Nil) equity shares of Rs.10/- each	32,524,000.00	-
6). Goldfeild Sales Agencies Ltd. 37,484 (Previous year Nil) equity shares of Rs.10/- each	18,742,000.00	-
7). Kalakriti Engineers India Ltd. 77,300 (Previous year Nil) equity shares of Rs.10/- each	38,650,000.00	-
8). Nakshatra Realtech Pvt. Ltd. 4,416 (Previous year Nil) equity shares of Rs.10/- each	2,208,000.00	-
9). Perfect Realtech Pvt. Ltd. 31,700 (Previous year Nil) equity shares of Rs.10/- each	15,850,000.00	-
10). Rudraksha Agencies Company Ltd. 4,800 (Previous year Nil) equity shares of Rs.10/- each	2,400,000.00	-
11). Suda Securities Pvt. Ltd. 1,09,700 (Previous year Nil) equity shares of Rs.10/- each	43,880,000.00	-
12). SRS Portfolio Ltd. 1,40,243 (Previous year Nil) equity shares of Rs.10/- each	66,368,800.00	-
13). Sundawn Builders Pvt. Ltd. 29,220 (Previous year Nil) equity shares of Rs.10/- each	14,610,000.00	-
14). Swami Foods Ltd. 54,067 (Previous year Nil) equity shares of Rs.10/- each	27,033,500.00	-
15). Swami Hi - Tech Projects Ltd. 16,790 (Previous year Nil) equity shares of Rs.10/- each	8,395,000.00	-
16). Three Brothers Entertainment Ltd. 36,749 (Previous year Nil) equity shares of 10/- each	18,374,500.00	-
17). Uday Infratrade Pvt. Ltd. 13,400 (Previous year Nil) equity shares of 10/- each	6,700,000.00	-

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2011	AS AT 31.03.2010
18). SRS Mines & Minerals Ltd. 71,666 (Previous year Nil) equity shares of Rs.10/- each	21,994,000.00	-
19). SRS Commercial Company Ltd. 8,688 (Previous year Nil) equity shares of Rs.10/- each	4,344,000.00	-
20). SRS Communications Pvt. Ltd. 62,751 (Previous year Nil) equity shares of Rs.10/- each	18,078,000.00	-
21). SRS Computech Ltd. 57,238 (Previous year Nil) equity shares of Rs.10/- each	22,205,000.00	-
22). SRS Facilities Pvt. Ltd. 80,263 (Previous year Nil) equity shares of Rs.10/- each	40,131,500.00	-
23). SRS Infrastructure Ltd. 10,000 (Previous year Nil) equity shares of Rs.10/- each	5,000,000.00	-
24). SRS International Ltd. 1,01,994 (Previous year Nil) equity shares of Rs.10/- each	50,997,000.00	-
25). SRS IT Solutions Pvt. Ltd. 81,937 (Previous year Nil) equity shares of Rs.10/- each	27,864,500.00	-
26). SRS News Ltd. 14,000 (Previous year Nil) equity shares of Rs.10/- each	7,000,000.00	-
27). SRS Equities India Ltd. 4,000 (Previous year Nil) equity shares of Rs.10/- each	2,000,000.00	-
28). SRS Professional Services Ltd. 7,830 (Previous year Nil) equity shares of Rs.10/- each	3,915,000.00	-
29). SRS Modern Sales Ltd. 4,74,250 (Previous year 10,18,850) equity shares of Rs.10/- each	4,742,500.00	71,180,450.00
Long Term, quoted, Non-Trade - At Cost		
Mutual Funds		
DSP Blackrock World Energy Fund 48,899.75 (Previous year 48,899.75) units of Rs. 10 each	500,000.00	500,000.00
Investment in Immovable Property	3,199,400.00	3,199,400.00
	626,302,200.00	241,923,640.00
Less: Provision for diminution in the Value of Investment	0.00	9,340.00
	626,302,200.00	241,914,300.00
Note:- All the investments in shares & mutual funds are fully paid up.		
Aggregate Value of Quoted Investments	500,000.00	500,000.00
Market Value of Quoted Investments	500,000.00	490,660.00
Aggregate Value of Unquoted Investments	622,602,800.00	238,224,240.00

PARTICULARS	AS AT 31.03.2011	(Amount in Rs.) AS AT 31.03.2010
SCHEDULE - 7		
INVENTORIES		
(As taken, valued & certified by the Management)		
- Shares	264,065,802.50	249,539,619.70
- Others	0.00	401,691.00
	264,065,802.50	249,941,310.70
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured, considered Good)		
- Outstanding for a period exceeding six months	100,116.00	10,641.00
- Others	41,715.00	638,027.00
	141,831.00	648,668.00
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash on Hand	1,222,376.21	2,034,313.83
Balance with Scheduled Banks		
-in Current Accounts	768,120.72	7,038,674.90
-in FDR Accounts*	100,000.00	100,000.00
*(Pledged with the bank for bank guarantee)	2,090,496.93	9,172,988.73
SCHEDULE - 10		
LOANS & ADVANCES TOWARDS FINANCING ACTIVITIES		
(Considered good unless otherwise stated)		
Secured	202,828,314.00	0.00
Unsecured	295,325,492.21	909,725,051.76
	498,153,806.21	909,725,051.76
SCHEDULE - 11		
OTHER LOANS & ADVANCES		
Security Deposit	64,269.00	451,269.00
Income Tax paid under protest	1,200,000.00	1,200,000.00
Advance for Investment	2,330,000.00	2,330,000.00
Advance to Suppliers	0.00	136,780.92
Advance Income Tax and TDS {net of provision for Income tax Rs. 46,48,229.75 (P.Y. Rs. 27,01,834)}	5,004,650.56	(1,473,332.46)
Advance Recoverable in Cash or Kind value to be recovered	3,169,916.00	3,328,283.00
	11,768,835.56	5,973,000.46

PARTICULARS	AS AT 31.03.2011	(Amount in Rs.) AS AT 31.03.2010
SCHEDULE - 12		
CURRENT LIABILITIES		
Advance from Customers	1,170,000.00	53,295,000.00
Sundry Creditors		
Due to Small Enterprises & Micro Enterprises	0.00	0.00
Other Creditors	784,364.98	2,733,605.16
Bank Overdrawn	0.00	9,728.54
Security Deposit	0.00	486,000.00
Other Liabilities	1,372,494.00	2,623,943.23
	3,326,858.98	59,148,276.93
SCHEDULE - 13		
PROVISIONS		
Provision for Bonus	28,931.00	40,580.00
Provision for Gratuity	381,733.00	214,304.00
Provision for Leave Encashment	122,815.00	62,280.00
	533,479.00	317,164.00

PARTICULARS	(Amount in Rs.)	
	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SCHEDULE - 14		
OPERATIONAL REVENUES		
Sale of Shares	269,135,368.54	370,532,833.73
Sale of Building Material	0.00	340,025,830.30
Interest on Loans & advances under Financing activities	58,363,389.21	13,133,805.00
Sale at Restaurant	0.00	13,632,325.96
Income from Syndication services	42,484,415.00	16,500,000.00
Other Operational Revenues	0.00	1,502,801.39
	369,983,172.75	755,327,596.38
SCHEDULE - 15		
OTHER INCOMES		
Misc. Income	9,00,330.27	1,859,545.76
Provision for diminution in value of Investment	9,340.00	0.00
Profit on Sale of Investments	50,800.00	0.00
Profit on Sale of Fixed Asset	157,635.58	0.00
Dividend	1,774,716.85	0.00
	2,892,822.70	1,859,545.76
SCHEDULE - 16		
OPERATING EXPENSES		
Purchases		
Purchase of Shares	321,662,598.97	524,633,850.35
Purchase of Building Material	0.00	329,657,656.80
Purchases at Restaurant	0.00	4,947,070.98
	321,662,598.97	859,238,578.13
Other Operational Expenses	11,245,155.24	6,026,314.80
	332,907,754.21	865,264,892.93
SCHEDULE - 17		
PERSONNEL EXPENSES		
Salaries, Wages, Stipend & Other allowances	4,534,255.00	5,640,591.00
Director's Remuneration	363,600.00	240,600.00
Contribution to Provident Fund & Other Funds	185,525.00	213,151.00
Staff Welfare	69,739.00	102,868.00
Provision for Employee's Benefits	256,895.00	28,271.00
Incentive	0.00	40,388.60
	5,410,014.00	6,265,869.60

PARTICULARS	YEAR ENDED 31.03.2011	(Amount in Rs.) YEAR ENDED 31.03.2010
SCHEDULE - 18		
OFFICE & ADMINISTRATION EXPENSES		
AGM Expenses	46,381.00	25,563.00
Audit Fees	110,300.00	100,000.00
Freight & Cartage	0.00	141,430.00
Conveyance	399,595.00	0.00
Repair & Maintenance	172,220.00	710,463.65
Software Expenses	2,406,978.20	0.00
Donation	230,000.00	123,700.00
Electricity & Water Charges	0.00	1,866,702.00
Legal & Professional Charges	425,479.00	545,350.00
Listing Expenses	296,836.00	271,469.00
Postage & Stamp	26,100.00	54,372.00
Loss on Sale of Fixed Asset	37,224.12	8,256.67
Provision for diminution in value of Investment	0.00	9,340.00
Insurance	66,079.00	67,697.00
Printing & Stationery	244,990.00	36,914.50
Rent	60,000.00	2,476,485.00
CAM Charges	0.00	1,226,930.69
Rates & Taxes	8,000.00	1,717,894.78
Diwali Exp	65,000.00	0.00
Telephone Expenses	49,257.00	276,498.00
Misc. Expenses	75,292.88	162,357.51
	4,719,732.20	9,821,423.80
SCHEDULE - 19		
FINANCIAL EXPENSES		
Interest on Cash Credit/Overdraft	26,705,778.24	8,565,439.99
Interest on Unsecured Loans	832,627.00	5,966,872.00
Interest on Vehicle Loan	95,364.20	85,836.76
Bank & Other Financial Charges	683,778.14	1,561,067.17
	28,317,547.58	16,179,215.92
SCHEDULE - 20		
MARKETING & SELLING EXPENSES		
Advertisement Expenses	74,426.00	162,825.51
Business Promotion Expenses	0.00	11,550.00
	74,426.00	174,375.51

SCHEDULE- 21

Significant Accounting Policies and Notes to Accounts

A. Significant Accounting Policies

1. Accounting Conventions

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the said Act. The accounting policies, except otherwise stated, have been consistently applied by the Company.

2. Use of Estimates

The presentation of financial statements is in conformity with the generally accepted accounting principles, which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/materialized.

3. Revenue Recognition

- 3.1 Revenue from interest on short-term and long-term loans is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- 3.2 Revenue from sale of trading goods is recognized when the significant risk and rewards in respect of ownership of the goods are transferred to customer.
- 3.3 Income from service is recognized as per the terms of contract on accrual basis.
- 3.4 Other revenues are recognized on accrual basis.
- 3.5 Company complies with the guidelines issued by the RBI in respect of prudential norms for income recognition and provisioning for non-performing assets.

4. Fixed Assets, Capital Work in Progress and Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition/purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the assets is ready for its intended use. Credit of duty, if available, is adjusted in the acquisition cost of the respective fixed assets.

Capital Work-in-Progress, including capital advances, is carried at cost, comprising direct cost, related incidental expenses and interest on borrowings to the extent attributed to them.

Intangible assets are recognized as per the criteria specified in Accounting Standard-26 "Intangible Assets" and recorded at the consideration paid for acquisition.

5. Investments

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

6. **Inventories**

Inventories are valued at lower of cost and net realizable value.

Cost of Inventories is determined on First in First out (FIFO) basis in the ordinary course of business.

7. **Taxation**

Income tax expenses are accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below:

Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax:

Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years timing difference.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

8. **Retirement and other employee benefits**

Retirement benefits are accounted for on accrual basis in respect of Provident Fund, defined contribution scheme, with contribution charged against revenue each year.

Gratuity liability and Leave Encashment are defined benefit obligations and provided for on the basis of an actuarial valuation made at the end of each financial year.

9. **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals on accruals of past or future cash receipts or payments. The cash flows from operating, financing, and investing activities of the company are segregated.

10. **Earning Per Share**

Earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

In determining earning per share, the company considers the net profit after tax. The number of shares used in computing the earning per share is the weighted average of number of shares outstanding during the accounting period. Earning per share is presented on annualized basis unless otherwise stated.

11. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

12. Depreciation on Fixed Assets and Amortization

Depreciation on fixed assets is applied on straight-line basis as per the rates and manner specified in the Schedule XIV to the Companies Act, 1956 on pro rata basis.

Depreciation on fixed assets costing upto Rs.5000/- is provided @100% over a period of one year.

Depreciation on leasehold improvements is charged over the period of lease.

13. Foreign Exchange Transaction

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported are recognized as income/expense in the period in which they arise.

Non-monetary items are carried at cost.

14. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are considered as part of the cost of Assets/Projects. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the Profit and Loss Account in the year in which incurred.

15. Leases

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Operating lease payments are recognized as expenses in the Profit and Loss Account on a straight-line basis over the lease term.

16. Impairment of Assets

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating asset. In that event an impairment loss so computed is recognized in the accounts in the relevant year.

B. NOTES TO ACCOUNTS

1. **Contingent Liabilities Not Provided for in respect of :**

Particulars	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
Corporate Guarantees	30,00,00,000	30,00,00,000
Outstanding Bank Guarantee	1,00,000	1,00,000

2. **Unadmitted Claims**

There has been a demand of Rs.23,77,572/- raised by the Income Tax Department for the financial year 1996-97. The company is contesting the same at Income Tax Appellate Tribunal, New Delhi and the management understands that there exists a very strong case in its favour and, therefore, no provision had been made against it. In the meanwhile the company has paid Rs.12,00,000/- under protest to the department and for balance amount a stay has been obtained from the department.

3. Management considers that all the Current Assets, Loans & Advances are fully recoverable at the value at least equal to the value disclosed in the books and there is no other than temporary diminution in the value of long term Investments.

4. a) Amount due to Micro Enterprises and Small Enterprises by the Company, comprises of the following :

(Amount in Rs.)

Particulars	As at 31.03.2011	As at 31.03.2010
Principal amount unpaid	-	-
Interest due on above	-	-

b) No interest payments have been made during the year.

c) The above information and that given in "Current Liabilities" in Schedule No.12 regarding dues to Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

5. The management is of the opinion that none of the assets of the company has suffered from impairment during the period.

6. Company has not incurred any expenses in foreign currency during the year.

7. **Directors' Remuneration**

(Amount in Rs.)

Particulars	2010-11	2009-10
Directors' Remuneration	3,63,600	2,40,600

8. **Employee's Benefits**

The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has also provided for Leave Encashment which is unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on March 31, 2011).

Net employee benefits expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2011):

(Amount in Rs.)

Particulars	Gratuity		Earned Leave	
	2010-11	2009-10	2010-11	2009-10
Current Service Cost	82,738	48,814	31,740	19,902
Interest Cost	17,144	25,757	4,982	2,551
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial (gain) / loss recognized in the year	67,547	(2,03,694)	32,898	5,818
Net benefit expense	1,67,429	(1,29,123)	69,620	28,271

Net Asset / (Liability) recognized in the Balance Sheet as on March 31, 2011:

(Amount in Rs.)

Particulars	Gratuity		Earned Leave	
	2010-11	2009-10	2010-11	2009-10
Present Value of Defined Benefit Obligation at the end of the year	3,81,733	2,14,304	1,22,815	62,280
Fair Value of Plan Assets	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(3,81,733)	(2,14,304)	(1,22,815)	(62,280)

Changes in the present value of Defined Benefit Obligation are as follows:

(Amount in Rs.)

Particulars	Gratuity		Earned Leave	
	2010-11	2009-10	2010-11	2009-10
Present Value of Defined Benefit Obligation at the beginning of the year	2,14,304	3,43,427	62,280	34,009
Interest Cost	17,144	25,757	4,982	2,551
Current Service Cost	82,738	48,814	31,740	19,902
Benefits Paid	-	-	9,085	-
Actuarial (gain) / loss on obligation	67,547	(2,03,694)	32,898	5,818
Present Value of Defined Benefit Obligation at the closing of the year	3,81,733	2,14,304	1,22,815	62,280

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below:

Particulars	Gratuity		Earned Leave	
	2010-11	2009-10	2010-11	2009-10
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	8.00%	7.50%	8.00%	7.50%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	5.50%	5.00%	5.50%	5.00%
Rate of Return on Plan Assets	NA	NA	NA	NA
Average Outstanding Service of Employees upto Retirement (years)	24.14 Years	25.55 Years	24.14 Years	25.55 Years

**Contribution to Defined Contribution Plans:
(Amount in Rs.)**

Particulars	2010-11	2009-10
Provident fund	1,57,645	1,56,928

9. **Deferred Tax Assets and Liabilities**

In view of the Accounting Standard-AS-22 "Accounting for Taxes on Income", the deferred tax assets/liabilities as at March 31, 2011 comprise of the following major components:

(Amount in Rs.)

Particulars	As at 31.3.2011 (Rs.)	As at 31.03.2010 (Rs.)
Fixed Assets	5,51,818.89	8,04,908.42
Deferred Tax Liability (A)	5,51,818.89	8,04,908.42
Provision for Gratuity & Leave Encashment	1,63,700.60	91,874.29
Deferred Tax Asset (B)	1,63,700.60	91,874.29
Net Deferred Tax Liability/(Assets) (A-B)	3,88,118.29	7,13,034.13

10. **Segment Reporting**

The company is an NBFC and doing the finance and investment activity only but company had three segments namely "Restaurants", "Finance and investment" and "Wholesale Trading" in the previous financial year, therefore, information required by the AS -17 "Segment Reporting" are given as under for all the three segments:-

Segment information as required by Accounting Standard - Segment Reporting (AS-17) is given hereunder:-

(Amount in Lacs.)

S. No.	Particulars	Restaurant	Finance and Investment	Trading	Unallocable	Total
1	Segment Revenue	- (139.19)	3,721.60 (4,016.69)	- (3,400.26)	7.16 (15.73)	3,728.76 (7571.87)
2	Segment Expenses	- (135.98)	3,289.88 (3,711.26)	- (3,368.24)	47.13 (87.05)	3,337.01 (7302.53)
3	Segment Profit	- (3.21)	431.72 (305.43)	- (32.02)	(-) 39.97 (-) (71.32)	391.75 (269.34)
	Less: Financial Expenses					283.18 (161.79)
	Profit Before Tax					108.57
	Less: Provision For Taxation					(107.55)
	Profit after Tax					43.51 (55.78) 65.06 (51.77)
4	Carrying amount of Segment Assets	- (43.14)	13,907.66 (14,043.96)	- (0.41)	268.78 (325.77)	14,176.45 (14,413.28)
5	Carrying amount of Segment Liabilities	- (21.44)	2,549.49 (2,777.03)	- (-)	9.22 (62.13)	2,558.71 (2,860.60)

11. **Auditor's Remuneration**

(Amount in Rs.)

Particulars	2010-11	2009-10
Statutory Audit Fees	82,725.00	70,000.00
Tax Audit Fees	27,575.00	25,000.00
Out of Pocket Expenses	0	5,000.00
Total	1,10,300.00	1,00,000.00

12. **Related Party Transactions**

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

a. List of related parties and relationships, where control exists:

- i. SRS Modern Sales Ltd. (upto 30.04.2010)

b. Related parties and relationships with whom transactions have taken place during the year:

- i. **Associate Company:** SRS Limited
- ii. **Investing Company:** NIL
- iii. **Key Management Personnel (KMP)**
Mr. Dinesh Kumar Khatri – Whole-Time Director & CFO
- iv. **Enterprises owned or significantly influenced by KMP and/or their Relatives:** NIL

c. Transactions with related Parties:

(Amount in Rs.)

S.No.	Name of the Party	Nature of Transaction	2010-11	2009-10		
1	SRS Modern Sales Ltd.	Loans & Advances given	-	57,80,640		
2	SRS Ltd.	Advance given	6,81,010	-		
		Advance for Investment received back	-	3,11,40,000		
		Investment in Equity Shares	-	6,23,40,000		
		Rent received	3,64,500	9,72,000		
		Sale of Fixed Assets	52,53,421	-		
		Fixed Assets purchased	44,34,435	-		
		Electricity Charges Paid	-	6,17,826		
		Sale of Material	4,29,923	-		
		Purchase of Material	1,20,431	10,36,650		
		Transfer of Party Account	3,75,000	1,02,236		
		Reimbursement of Expenses	3,10,739	12,78,884		
		Closing Balance:				
			Sundry Creditors	-	6,89,322	
	Sundry Debtors	1,41,831	4,63,067			
	Security Payable	-	4,86,000			
4	Mr. Raju Bansal	Director's Remuneration	-	1,80,000		
5	Mr. Dinesh Kumar Khatri	Director's Remuneration	363,600	60,600		

13. "Earning per Share" computed in accordance with Accounting Standard -20.

(Amount in Rs.)

Particulars	2010-11	2009-10
a) Numerator		
Net profit after taxation as per profit and loss A/c	65,05,993.39	51,77,131.00
b) Denominator:		
Weighted average no. of equity shares outstanding for:		
-Basic & Diluted	9,81,21,593	8,92,16,114
c) Earning per share (EPS) (Face value of Rs. 10 each):		
-Basic & Diluted	0.0663	0.0580

14. Additional information pursuant to the provisions of para 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956, as certified by the management (to the extent applicable):

a. Details of Goods Purchased for Resale:

(Amount in Lacs)

Class of Goods	Units	Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.
Iron & Steel	Tonne	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		(168.29)	(56.21)	(10,200.77)	(3,296.57)	(10,369.04)	(3,400.25)	(Nil)	(Nil)
Shares	No.	17,53,892	2,495.40	13,98,912	3216.50	11,51,153	2691.30	20,01,651	2640.66
		(12,36,844)	(878.26)	(1,02,11,249)	(5,246.34)	(96,94,201)	(3,705.33)	(17,53,892)	(2,495.40)
Others		-	Nil	-	Nil	-	Nil	-	Nil
		-	(1.77)	-	(49.47)	-	(136.32)	-	(4.02)

Note:

1. Previous year figures have been given in brackets.

15. The figures of previous period's/years' have been regrouped/reclassified, wherever necessary to conform to the current period's/years' presentation.

As per our Report of even date annexed

For Naresh Jai & Associates

(Chartered Accountants)
Firm Regn. No. 019082N

CA Naresh Goyal
(Partner)
Membership No. : 501487



For and on behalf of the Board

(Raju Gupta)
Managing Director
DIN - 00006972

(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

Place : Faridabad
Date : 31.08.2011

(Rakhi Mehta)
Company Secretary
Membership No. : 19978

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCING COMPANY.

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007)

			(Rs. in Lacs)	
Particulars			As on 31.03.2011	
Liability Side			Amount outstanding	Amount Overdue
(1)	Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid :			
	(a)	Debentures:		
		Secured	Nil	-
		Unsecured(other than falling within the meaning of public deposits*)	Nil	-
	(b)	Deferred Credits	Nil	-
	(c)	Term Loans	16.50	-
	(d)	Inter-corporate loans and borrowings	Nil	-
	(e)	Commercial Loan	Nil	-
	(f)	CC Limit	995.25	-
	(g)	Loan against securities Facility	1,504.47	-
		Others	Nil	-
ASSETS SIDE				
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below)			
	(a)	Secured	2,028.28	-
	(b)	Unsecured	2,953.25	-
(3)	Break-up of Leased Assets and Stock on hire and other assets counting towards AFC activities			
	(i)	Lease Assets including lease rentals under sundry debtors	-	-
		(a) Finance Lease	Nil	-
		(b) Operating Lease	Nil	-
	(ii)	Stock on hire including hire charges under sundry debtors	-	-
		(a) Assets on hire	Nil	-
		(b) Repossessed Assets	Nil	-
	(iii)	Other loans counting towards AFC activities	-	-
		(a) Loans where assets have been repossessed	Nil	-
		(b) Loans other than (a) above	Nil	-
(4)	Break-up of Investments:-			
	1	Quoted:		
	(i)	Shares:		
		(a) Equity		Nil
		(b) Preference		Nil
	(ii)	Debentures and Bonds		Nil
	(iii)	Units of Mutual Funds		Nil
	(iv)	Government Securities		Nil
	(v)	Others		Nil

Particulars		(Rs. in Lacs)	
		As on 31.03.2011	
		Amount outstanding	Amount Overdue
2	Unquoted		
(i)	Shares:		
	(a) Equity		Nil
	(b) Preference		Nil
(ii)	Debentures and Bonds		Nil
(iii)	Units of Mutual Funds		Nil
(iv)	Government Securities		Nil
(v)	Others		Nil
	LONG TERM INVESTMENTS		
1	Quoted:		
(i)	Shares:		
	(a) Equity		Nil
	(b) Preference		Nil
(ii)	Debentures and Bonds		Nil
(iii)	Units of Mutual Funds		5.00
(iv)	Government Securities		Nil
(v)	Others		Nil
2	Unquoted		
(i)	Shares:		
	(a) Equity		6,226.03
	(b) Preference		Nil
(ii)	Debentures and Bonds		Nil
(iii)	Units of Mutual Funds		Nil
(iv)	Government Securities		Nil
(v)	Others		32.00

(5) Borrower group wise classification of assets financed as in (2) and (3) above:-		As on 31.03.2011		
		Amount (Net of provision)		
Category		Secured	Unsecured	Total
1	Related Party**			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related party	Nil	Nil	Nil
2	Other than related party	Nil	Nil	Nil
	Total	Nil	Nil	Nil
	** As per accounting standard -18 of ICAI			

-5	Investor group wise classification of all Investments (Current and Long term) in shares and securities (both quoted and unquoted)	As on 31.03.2011	
	Category	Market Value/Break- up or fair value or NAV*	Book value(Net of Provisions)
1	Related Party**		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related party	Nil	Nil
2	Other than related party	6,231.03	6,231.03
	*Cost is considered where market value is not available		
	** As per accounting standard -18 of ICAI		

Other Information		
Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	Nil
(ii)	Net Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	Nil
(iii)	Assets acquired in satisfaction of debts	Nil

ABSTRACT

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		(Rupees in thousand)	
Registration No.	L74899HR1994PLC040440	State Code	05
Balance Sheet Date	31.03.2011		
II. Capital Raised during the year			
Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-
III. Position of Mobilisation and Deployment of Funds			
Total Liabilities	1,413,784	Total Assets	1,413,784
Sources of Funds			
Paid Up capital	981,216	Reserve & Surplus	180,558
Secured Loans	251,622	Unsecured Loans	-
Deferred Tax Liabilities	388		
Application of Funds			
Net Fixed Assets (Including CWIP)	15,122	Investments	626,302
Net Current Assets	772,360	Misc. Expenditure	-
Deferred Tax Assets	-		
IV. Performance of the Company			
Turnover	369,983	Total Expenditure	362,019
Other Income	2,893	Profit before tax	10,857
Profit after tax	6,506		
	Basic		Diluted
Earnings per Share in Rs.	0.06	Earing per Share in Rs.	0.06
Dividend Rate	-		
V. Generic names of the Principal Products of Company			
Item Code No. (ITC Code)	NIL		
Products Description	N.A.		

As per our Report of even date annexed

For Naresh Jai & Associates

(Chartered Accountants)
Firm Regn. No. 019082N

CA Naresh Goyal

(Partner)

Membership No. : 501487



For and on behalf of the Board

(Raju Gupta)
Managing Director
DIN - 00006972

(Dinesh Kumar Khatri)
Whole Time Director & CFO
DIN - 00006162

(Rakhi Mehta)
Company Secretary
Membership No. : 19978Place : Faridabad
Date : 31.08.2011

Nomination Form

[(To be filled in by individual(s))]

To	From : Name of the Shareholder and address
SRS Finance Ltd. C/o Beetal Financial & Computer Services Pvt. Ltd. BEETAL HOUSE, 3 rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062	_____ _____ _____
	Folio No./DP ID* _____
	No. of Shares _____

I am/We are holder(s) of Shares of the Company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of Equity Shares shall vest in the event of my/our death.

Nominee's Name								Age		
To be furnished in case the nominee is minor	Date of Birth									
Guardian's Name & Address										
Occupation of Nominee (✓)	1. Service		2. Business		3. Student		4. Household			
	5. Professional		6. Farmer		7. Others					
Nominee's Address										
	Pin Code									
Tel. No.			Fax No.							
E-mail Address					STD Code					
Specimen Signature of Nominee/Guardian (in case nominee is a minor)										

Kindly take the aforesaid details on record.

Thanking You,
Yours Faithfully,

Date :

Name(s) of equity shareholder(s) [as appearing on the Certificate(s)]		Signature (as per specimen with Company)
Sole/1 st holder		
2 nd holder		
3 rd holder		
Witnesses (two)		
	Name & Address of Witness	Signature & Date
1.		
2.		

INSTRUCTIONS:

- Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
- The nomination can be made by individuals only. If the Shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
- A minor can be nominated by a holder of Shares and in that event the name & address of the Guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
- Transfer of Shares in favor of a nominee shall be a valid discharge by a Company against the legal heir(s).
- Only one person can be nominated for a given folio.
- Details of all holders in a folio need to be filled; else the request will be rejected.
- The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
- Whenever the Shares in the given folio are entirely transferred or dematerialized, then this nomination will stand rescinded.
- Upon receipt of a duly executed nomination form, the Registrar & Transfer Agent (RTA) of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
- The nomination can be varied or cancelled by executing fresh nomination form.
- The Company will not entertain any claims other than those of a registered nominee, unless so directed by Court.
- The intimation regarding nomination/nomination form shall be filed in duplicate with the RTA of the Company who will return one copy thereof to the Shareholder.
- For Shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form.

FOR OFFICE USE ONLY

Nomination Registration Number	
Date of Registration	
Checked by (Name & Signature)	

SRS FINANCE LIMITED

Regd. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad, Haryana- 121007

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

Name and Address of the Shareholder

I hereby record my presence at the 17th Annual General Meeting of the Company held on Friday, 30th September 2011 at 11.30 A.M. at "SRS Banquet", Near SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad, Haryana- 121007

Signature of Shareholder/Proxy

* Applicable for investors holding shares in dematerialized form.

SRS FINANCE LIMITED

Regd. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad, Haryana- 121007

PROXY

I/Webeing Member/Members of **SRS FINANCE LIMITED** hereby appoint.....(or failing him.....of.....) as my/our Proxy to attend and vote for me/our behalf at the 17th Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 11.30 A.M. at "SRS Banquet", Near SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad, Haryana- 121007 and at any adjournment thereof.

Signed thisday of.....2011

Signature_____

Reference Folio No. / DP ID & Client ID*

No. Of Shares _____

Affix here One Rupee Revenue Stamp

* Applicable for investors holding shares in dematerialized form.

Note: This Form in order to be effective should be complete and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

SRS FINANCE LTD.

REGD. OFFICE : SRS Multiplex, Top Floor, City Centre, Sector 12, Faridabad, (NCR Delhi)-121007
T: 0129 - 4282801 - 08 F: 0129 - 4282809, 810

BRANCH OFFICE : 202, 27 New Delhi House, Barakhamba Road, Connaught Place, New Delhi-110001
T: 011-41571258-60 F : 011-41571269

www.srsparivar.com, info@srsparivar.com