

SITAL LEASING AND FINANCE LIMITED
Annual Report 2011-2012

BOARD OF DIRECTORS

- | | | |
|----|-------------------------|---------------------|
| 1. | Mr. Surender Kumar Jain | Director |
| 2. | Mrs. Priti Jain | Director |
| 3. | Mr. Sujan Mal Mehta | Additional Director |
| 4. | Mr. Anil Prakash | Additional Director |

REGISTERED OFFICE

SITAL LEASING AND FINANCE LIMITED
555, Double Storey,
New Rajinder Nagar,
New Delhi-110060

CORPORATE OFFICE

Sital Leasing And Finance Limited
555, Double Storey,
New Rajinder Nagar,
New Delhi-110060

STATUTORY AUDITORS

Anil Kumar
Chartered Accountants
BA-52/B, Janak Puri,
New Delhi-110058

PRINCIPAL BANKERS

Axis Bank Ltd.

SITAL LEASING & FINANCE LIMITED | Annual Report | 2011-12

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TWENTY NINE ANNUAL GENERAL MEETING

Date : Saturday, 29th September, 2012

Time : 11.00 a.m.

Venue : 555, Double Storey, New Rajinder Nagar, New Delhi-110060

Important Information: As measure of economy, copies of the Annual report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.

-:DIRECTOR CERTIFICATION:-

I, **SURENDER KUMAR JAIN**, Director, of Sital Leasing & Finance Limited, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed the financial statements and the cash flow statements for the year ended 31.03.2012 and that to the best of my 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.
- (b) There are to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in the internal control over financial reporting during the year under reference.
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements and
 - (iii) Instances of significant fraud of which we 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.
- (e) I further declare that the board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the Listing Agreement, for the current year.

Date : 20.08.2012
Place: New Delhi

Sd/-
SURENDER KUMAR JAIN
(DIRECTOR)

SITAL LEASING AND FINANCE LTD.

Status

SITAL LEASING AND FINANCE LTD. is a Company registered under the provisions of the Companies Act, 1956 with the Registrar of Companies. NCT of Delhi & Haryana and having Corporate Identification Number L65910DL1983PLC016718 Incorporated as on 10th October, 1983 in the name of SITAL LEASING AND FINANCE LTD.

The Present Registered Office of the Company is situated at 555, Double Storey, New Rajinder Nagar, New Delhi-110060”.

Business Activities and Projects

The Company is a Non Banking Financial Company and Registered with Reserve Bank of India (RBI) as NBFC and falls under category of Investment Company (**IC**), whose main principal business is that of buying and selling of securities. In this area company is makes investments in shares, stocks, bonds, debentures, units, securities. The company also manages funds of the Investors by Investment in various avenues.

In India Non-Banking Financial Companies (NBFCs) are fast emerging as an important segment of Indian Financial System. It is an heterogeneous group of Institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, making complementary to the banking sector due to their customer-oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors; etc. Thus they have broadened and diversified the range of products and services offered by a financial sector.

Presently the Stock Market behaved with great volatility and Market Index showed movement both upward and downward frequently. The Stock Market Index as on 31st March, 2012 was at low levels as a result of which there was low valuation of stock held by the company at the end of the year.

The Company also engaged in the business of Real Estate & Infrastructures development, sale and purchase of Residential plots and other related activities. The Company intends to make expansion in developing big residential colonies & commercial Projects.

Non-Banking Financial Institutions (NBFIs) sector in India comprises various types of financial institutions with each one of them having its roots at a particular stage of development of the financial sector. All-India financial institutions (AIFIs), largely an outcome of the development planning in India, were created for long-term financing. Non-banking financial companies (NBFCs), on the other hand, are mostly private sector institutions which provide a variety of services including equipment leasing, hire purchase, loans, and investments. Primary dealers (PDs), which came into existence in 1995, have played an important role in both the primary and secondary Government securities market. Although commonly grouped as NBFIs, the nature of operations of FIs, NBFCs and PDs are quite different from each other. The

regulatory focus in respect of these three types of NBFIs is also different. Business operations and financial performance of these entities are driven mainly by sector-specific factors.

NBFCs perform a diversified range of functions and offer various financial services to individual, corporate and institutional clients. They have been helping to bridge the credit gaps in several sectors where the institutions like banks are unable to venture. With the growing importance assigned to financial inclusion, NBFCs have come to be regarded as important financial intermediaries particularly for the small-scale and retail sectors. The regulations governing these institutions are less rigorous as compared to banks as they are not subject to certain regulatory prescriptions applicable to banks. NBFCs-D are not subject to Cash Reserve Ratio (CRR) requirements like banks but are mandated to maintain 15 per cent of their public deposit liabilities in Government and other approved securities as liquid assets. The public deposits do not have insurance cover. NBFCs do not enjoy refinance facilities from the Reserve Bank and do not have chequable deposits and are thus not part of the payment and settlement systems.

Since 2006, NBFCs were reclassified based on whether they were involved in the creation of productive assets. Under the new classification, the NBFCs were divided into three major categories, viz., asset finance companies, loan companies, and investment companies. Considering the growing importance of infrastructure finance, a fourth category of NBFCs involved in infrastructure finance was introduced in February 2010, viz., Infrastructure Finance Companies (IFCs). Subsequently, in January 2011, a new category of companies, viz., systemically important non-deposit taking core investment companies (CIC-ND-SI) were brought under regulation and supervision of the Reserve Bank.

Till recently, NBFCs-ND were subject to minimal regulation as they were non-deposit taking bodies and considered as posing little threat to financial stability. However, recognising the growing importance of this segment and its inter-linkages with banks and other financial institutions, capital adequacy and exposure norms have been made applicable to NBFCs-ND that are large and systemically important (i.e., having asset size of `100 crore and above) from April 1, 2007; such entities are referred to as NBFCs-ND-Systemically Important.

This chapter provides analysis of the financial performance and soundness indicators related to each of these segments of NBFIs during 2010-11. The chapter is organised into four sections. Section 2 analyses the financial performance of FIs. Section 3 discusses the financial performance of NBFCs-D and NBFCs-ND-SI. Section 4 provides an analysis of the performance of PDs in the primary and secondary markets, followed by Conclusions in Section 5.

SITAL LEASING AND FINANCE LIMITED

:-N O T I C E:-

Notice is hereby given that the 29th Annual General Meeting of the Company will be held on Saturday, 29th September, 2012 at 11.00 A.M. at its Registered Office at 555, Double Storey, New Rajinder Nagar, New Delhi – 110060 of the Company at New Delhi to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2012 and the Profit & Loss Account of the company for the period 01.04.2011 to 31.03.2012 together with the Reports of the Directors and Auditors thereon.
2. To re-appoint Auditors of the Company & to decide about their remuneration. The retiring auditor **MR. ANIL KUMAR** Chartered Accountants, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **MRS. PRITI JAIN** director of the company who retires by Rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

To consider and if thought, fit to pass with or without modification (s), the following resolution as a special resolution.

1. **“RESOLVED THAT** pursuant to Section 17(1) of the Companies Acts, 1956 and subject to confirmation of Regional Director, the registered office of the company be changed from the “Union Territory of Delhi” to the “State of Haryana.”

“RESOLVED FURTHER THAT on the aforesaid resolution become effective, clause II of Memorandum of Association be altered by substituting the word “State of Haryana” for the word “Union Territory of Delhi.”

“RESOLVED FURTHER THAT the **MR. SURENDER KUMAR JAIN**, Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things including signing of such forms, documents and agreements as may be necessary and expedient to give effect to the above resolutions.”

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

2. **“RESOLVED THAT MR. SUJAN MAL MEHTA** who has been co-opted as director of the Company on 03/04/2012 and in terms of section 260 of the Companies Act, 1956 to hold office as additional director until this Annual General Meeting, and has offered himself for re-appointment, be and is hereby appointed as Director of the Company”.
3. **“RESOLVED THAT MR. ANIL PRAKASH** who has been co-opted as director of the Company on 01/08/2012 and in terms of section 260 of the Companies Act, 1956 to hold office as additional director until this Annual General Meeting, and has offered himself for re-appointment, be and is hereby appointed as Director of the Company”.

BY ORDER OF THE BOARD OF DIRECTORS

Place: New Delhi
Dated: 20.08.2012

**Sd/-
DIRECTOR**

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself /herself and a proxy need not be a member. Proxies in order to be effective must be received by the company, not less than 48 hours, before the time for holding the meeting. The proxy form is enclosed.
2. The Register of Members and Share Transfer Books will remain closed from 24th September 2012 to 29th September 2012 (both days inclusive).
3. Members are requested to notify the change of address, if any, to the Share Department of the Company.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
5. As per the Provisions of the amended Companies Act, 1956 facilities for making nomination is now available to the shareholder of the company in respect of shares held by them.

- Members are requested to affix their signatures at the space provided for on the attendance sheet annexed to the proxy form and hand over the slip at the entrance to the place of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACTS, 1956.

ITEM NO. 1,2 & 3

- Though the company was incorporated in the state of “Union Territory of Delhi” but since its inception, the need was felt off lately to shift the registered office of the company to the “State of Haryana” to carry out the operations more economically and efficiently from there. As the activities of the company substantially takes place in Delhi, it will be convenient and economical to manage the operations of the company if the registered office is located in Delhi.

Therefore, it is proposed to change the situation of registered office from the state of “Union Territory of Delhi” to the “State of Haryana”. As the change could not be effected without amending clause II of Memorandum of Association, for which the special resolution is proposed. On obtaining the sanction of the members through Postal Ballot, steps will be taken to obtain the sanction of Regional Director under section 17 of the Companies Act, 1956.

None of the directors is concerned or interested in the said resolution.

- “RESOLVED that **MR. SUJAN MAL MEHTA** who has been co-opted as director of the Company on 03/04/2012 and in terms of section 260 of the Companies Act, 1956 to hold office as additional director until this Annual General Meeting, and has offered himself for re-appointment, be and is hereby appointed as Director of the Company”.
- “RESOLVED that **MR. ANIL PRAKASH** who has been co-opted as director of the Company on 01/08/2012 and in terms of section 260 of the Companies Act, 1956 to hold office as additional director until this Annual General Meeting, and has offered himself for re-appointment, be and is hereby appointed as Director of the Company”.

BY ORDER OF THE BOARD OF DIRECTORS

Place: New Delhi
Dated: 20.08.2012

**Sd/-
DIRECTOR**

-:DIRECTOR'S REPORT:-

To
The Members,

Your Directors have pleasures in presenting the 29th Annual Report of the Company together with the audited accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS :

The Business of the Company during the year under review resulted in a Profit of Rs.11,168/- (Profit of Rs.87,393/- in previous year).

GENERAL CORPORATE MATTERS:

The company is currently engaged in financial services, sale & purchase of share & securities. The year under report has been difficult for the Stock Market as the market behaved with great volatility and Market Index showed movement both upward and downward frequently. Moreover, payment problems affecting Stock Market also caused considerable damage to the investor's confidence in the market. It also affected the overall turnover in the Stock Market. The Stock Market Index as on 31st March 2012 were at low levels as a result of which there was low valuation of stock held by the company at the end of the year. The company also intends to make expansion in providing loans & advances and finance to different persons, firms & corporate bodies.

CORPORATE GOVERNANCE:

Your Company has always striven to incorporate appropriate standard for good corporate governance and has been practicing these principles since inception. Corporate Governance has evolved in the company over the years, not only on account of regulatory requirements but also on account of sound management values for enhancing and meeting stockholder's expectations. The company is taking adequate steps in ensuring that all the mandatory provisions of corporate governance as prescribed under the Listing Agreement of the stock exchange are complied within the time laid down by stock exchange.

MERGER DURING FINANCIAL YEAR 2011-2012:

Pursuant to the order date 29-05-2012 The Honorable High Court of Delhi has approved the scheme of arrangement for Merger of Sital Holdings Pvt. Ltd. (Transferor Company) and Sital Leasing And Finance Ltd. (Transferee Company) with effect from appointed date i.e. 01-04-2011.

Consequently the figures shown in Profit & Loss Account and Balance Sheet for the Current Year are after merging respective figures of aforesaid transferor company using the 'Pooling of Interest' method of accounting as suggested in Accounting Standard 14 issued by ICAI.

DIVIDEND:

Due to marginal profit earned by the company during the year your directors are not in a position to recommend any dividend. But the directors are hopeful better result in ensuring future.

DIRECTORS:

To appoint a Director in place of **MRS. PRITI JAIN** director of the company who retires by Rotation and being eligible offers himself for re-appointment. The Board of Directors recommends their re-appointment.

MR. SUJAN MAL MEHTA who has been co-opted as director of the Company on 03/04/2012 and in terms of section 260 of the Companies Act, 1956 to hold office as additional director until this Annual General Meeting, and has offered himself for re-appointment, be and is hereby appointed as Director of the Company. The Board of Directors recommends their appointment.

MR. ANIL PRAKASH who has been co-opted as director of the Company on 01/08/2012 and in terms of section 260 of the Companies Act, 1956 to hold office as additional director until this Annual General Meeting, and has offered himself for re-appointment, be and is hereby appointed as Director of the Company. The Board of Directors recommends their appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) which was introduced by the Company (Amendment) Act, 2000 your Director confirms that: -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Director have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2012 and of the Profit of the Company of the year ended 31st March, 2012.
- c) The Director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies

Act, 1956 for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.

d) The annual accounts have prepared on a going concern basis.

NBFC REGISTRATION:

The company has been registered with Reserve Bank of India as Non Banking Finance Company Vide Registration No. B14.02131 dated 21st December 2001.

NON-BANKING FINANCIAL COMPANIES AUDITORS REPORT (RESERVE BANK) DIRECTIONS, 1998:

Pursuant to the Non-Banking Financial Companies Auditors Report (Reserves Bank) directions, 1998 a report from the statutory auditors to the board of directors' has been received by your company. This report has certified that the company has complied with all the directions and prudential norms as prescribed under the RBI Act, 1934.

COMPLIANCE CERTIFICATE:

The Company has obtained Compliance Certificate from a Practicing Company Secretaries and the same is annexed to this report. This certificate does not call for any adverse comments.

AUDITORS:

To Re-appoint Auditors of the company & to decide about their remuneration, the retiring auditor Mr. Anil Kumar chartered accountants, being eligible, offer themselves for re-appointment.

AUDITORS' REMARKS:

The observations made by the Auditors with reference to note on the accounts for the year under report are self explanatory and need no further comments from the directors.

PARTICULARS OF EMPLOYEES:

There are no employees in receipt of remuneration in excess of amount specified in section 217(2A) read with Companies (Particular of Employees) Rules 1975 as amended.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary company.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public, within the meaning of Section 58 – A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

STATUTORY INFORMATION:

The Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, requires the disclosures of particulars regarding conservation of energy in Form A and technology Absorption in Form B prescribed by the rules. The requirement of Forms A and B are not applicable, as the company is not manufacturing company. The company had no foreign Exchange out-go or inflow during the year.

LISTING INFORMATION:

The Company shares are listed with Delhi Stock Exchange Ltd., Delhi. Your Company has paid Annual listing fees up to date and there are no arrears.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange, the Cash Flow Statement for the year ended 31st March 2012 is annexed hereto.

CORPORATE GOVERNANCE REPORT:

As required by Clause 49 of the Listing Agreement, corporate governance, management decisions and analysis and Auditor report on compliance with the corporate governance requirements have been included in this Annual Report as separate section.

ACKNOWLEDGEMENT:

Your Directors express their sincere appreciation for the co-operation, patronage, assistance and guidance by their Business Associates, Bankers and Clients.

THE BOARD MEMBERS ALSO PLACE ON RECORD THEIR APPRECIATION OF THE SERVICE RENDERED BY THE DEDICATED EMPLOYEES OF THE COMPANY.

BY ORDER OF THE BOARD OF DIRECTORS

Place: New Delhi
Dated: 20.08.2012

**Sd/-
DIRECTOR**

:-CORPORATE GOVERNANCE:-

REPORT ON CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations. The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth.

The objective of Corporate Governance is “Enhancement of long term shareholders value and ensuring the protection of rights of the shareholders” and your company reiterates its commitment to good Corporate Governance.

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company policy on Corporate Governance rests on the pillars of transparency, accountability, integrity, equity and environment responsibility in all facets of its operations. Good Corporate Governance therefore, embodies both enterprise (performance) and accountability (conformance).

Independent directors are appointed not merely to fulfill the listing requirement but for their diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions.

MANDATORY REQUIREMENTS:

BOARD OF DIRECTORS

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the company. Your company is maintaining the independence of the board and company has the independent and Non-Executive directors. As on date of this report, the board of directors of the company consists of three members and it meets the requirement of the Clause 49 of the listing agreement.

The Board meeting is held in every quarter to review the financial results and discuss other issues. Besides the quarter, board meeting are also held whenever required. To conduct a board meeting the directors are informed by giving a notice in advance and the agenda of board meeting is also dispatched with the notice. The members of board discuss each agenda in the meeting and take decision after having a proper discussion and obtaining views of all members. The board members are free to give

their suggestions on any agenda item and can also submit their view for improving the performance of company.

During the year Twenty Board Meetings have taken place on 8.04.2010, 04.05.2010, 28.05.2010, 02.06.2010, 10.06.2010, 13.07.2010, 31.07.2010, 18.08.2010, 04.09.2010, 30.09.10, 1.10.2010, 18.10.2010, 02.11.2010, 9.11.2010, 12.11.2010, 31.12.2010, 3.01.2011, 14.02.2011, 24.03.2011 & 31.03.2011.

The composition and category of Board during the year as follows:

Name of the Director	Designation	Category
Mr. Surender Kumar Jain	Chairman	Non - Executive & Promoter
Mrs. Priti Jain	Director	Non - Executive & Promoter
Mr. Mukesh Kumar (Resigned as on 06.04.2012)	Director	Non - Executive & Independent
Mr. Sujan Mal Mehta (w.e.f. 03.04.2012)	Additional Director	Non - Executive & Promoter
Mr. Anil Prakash (w.e.f. 01.08.2012)	Additional Director	Non - Executive & Independent

Details of attendance of each director at various meetings of the company are as follows:

Name of the Director	Designation	Category	No. of Board Meetings	Last AGM attended
Mr. Surender Kumar Jain	Chairman	Non - Executive & Promoter	20	Yes
Mrs. Priti Jain	Director	Executive & Independent	20	Yes
Mr. Mukesh Kumar (Resigned as on 06.04.2012)	Director	Non-Executive & Independent	20	Yes

Sujan Mal Mehta (w.e.f. 03.04.2012)	Additional Director	Non - Executive & Promoter	0	No
Mr. Anil Prakash (w.e.f. 01.08.2012)	Additional Director	Non - Executive & Independent	0	No

COMMITTEE OF DIRECTORS

AUDIT COMMITTEE

COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

The Audit Committee of the Company has not been constituted as per the requirements of clause 49 of listing agreement due to non-appointment of Independent Director.

CODE OF CONDUCT

As per Clause 49 (I) (D), the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management as well and the same has been posted on Website of the Company. Annual Compliance Report for the year ended 31st March, 2012 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

COMPLIANCE REPORT

The Board periodically reviews compliance report of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances, if any.

MATERIAL NON-LISTED SUBSIDIARY COMPANIES

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Company does not have any such subsidiary during the accounting year under review

COMPLIANCE OFFICER OF THE COMPANY

Surender Kumar Jain

GENERAL BODY MEETING

Annual General Meeting held during the previous financial year

Year	Date	Venue	Time	Business Transacted
2011	30.09.2011	555, Double Storey, New Rajinder Nagar, New Delhi-110060.	11:00 a.m.	Appointment of Mr. Mukesh Kumar as Director of the Company.

All resolutions proposed for the above said meetings were duly passed by show of hands.

STATUTORY DISCLOSURES

No transactions of material nature have been entered into by the company with any of the promoters, directors, their related companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company.

The company has not been penalized, nor have any strictures been passed by the Stock Exchanges, SEBI or any statutory authority, during the last three years, on any matter relating to capital market.

MEANS OF COMMUNICATIONS

The Company communicates with the shareholders at large through its Annual reports and financial results published therein.
The quarterly results are published in the newspapers.

DISCLOSURES

The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the company where they and /or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transactions are placed before and reviewed by the Company's Audit Committee.

RISK MANAGEMENT

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. This policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

A statement of management Discussion and Analysis is appearing elsewhere in this Annual report in terms of requirement of the Code of Corporate Governance.

MARKET PRICE DATA

There has been no trading in Delhi Stock Exchange, Delhi, during the year 2011-2012.

SHAREHOLDERS INFORMATION**ANNUAL GENERAL MEETING**

Date : 29th September 2012
Time : 11:00 A.M.
Venue : 555, Double Storey,
Rajinder Nagar,
New Delhi-110060

FINANCIAL CALENDAR (tentative)**Financial Year- 1st April 2012 to 31st March 2013**

Annual General Meeting for the next year ending 31st March 2013: Before 30th September 2013.

DATE OF BOOK CLOSURE:

24th September, 2012 to 29th September, 2012 (both days inclusive)

LISTING ON STOCK EXCHANGE:

Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, Delhi-110002

CORPORATE IDENTIFICATION NUMBER: L65910DL1983PLC016718

SHARE TRANSFER SYSTEMS

Share transfers are presently registered within a maximum period of 15 (fifteen) days from the date of receipt provided the documents are complete in all respects.

STATUS FOR SHAREHOLDERS' COMPLAINTS FOR THE PERIOD 01.04.2011 TO 31.03.2012

Complaint received from the shareholders of the company during the year was duly resolved up to the satisfaction of our shareholders & no complaint was pending at the end of financial year.

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH 2011

Category	Total No. of Shares	%age
Promoter		
a) Indian	-	-
b) Foreign	-	-
Public		
a) Institutional Shareholding	-	-
b) General Public	245000	100%

SHAREHOLDING PATTERN OF THE COMPANY AFTER MERGER

Category	Total No. of Shares	%age
Promoter		
c) Indian	555750	69.40%
b) Foreign	-	-
Public		
a) Institutional Shareholding	-	-
d) General Public	245000	30.60%

DISTRIBUTION OF SHAREHOLDERS AS ON 31ST MARCH 2012

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No of Shares held	% of Shareholding
(Rs.)	(Rs.)				
Upto	5000	203	92.27	44970	18.35
5001	10000	6	2.73	4700	1.92
10001	20000	NIL	NIL	NIL	NIL
20001	30000	2	0.91	4730	1.93
30001	40000	NIL	NIL	NIL	NIL
40001	50000	NIL	NIL	NIL	NIL
50001	100000	3	1.36	24500	10
100001	ABOVE	6	2.73	166100	67.80
TOTAL		220	100	245000	100

DISTRIBUTION OF SHAREHOLDERS AFTER MERGER

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No of Shares held	% of Shareholding
(Rs.)	(Rs.)				
Upto	5000	204	89.08	44770	5.59
5001	10000	7	3.06	5400	.67
10001	20000	NIL	NIL	NIL	NIL
20001	30000	2	.87	4730	.59
30001	40000	NIL	NIL	NIL	NIL
40001	50000	NIL	NIL	NIL	NIL
50001	100000	3	1.31	24500	3.059
100001	ABOVE	13	5.68	721350	90.08
TOTAL		229	100	800750	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The company shares are not traded in dematerialized form and have not been delivered in the dematerialized form to the stock exchange.

ADDRESS FOR CORRESPONDENCE

555, Double Storey,
Rajinder Nagar,
New Delhi-110060

DECLARATION

None of the Director of the Company is a Director of more than 15 Companies and member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

SECRETARIAL AUDIT

To reconcile the total admitted capital with NSDL & CDSL and the total issue and listed capital, a secretarial audit is carried out by a Practicing Company Secretary on Quarterly basis.

-:MANAGEMENT DISCUSSION & ANALYSIS REPORT:-

ECONOMIC OUTLOOK

The long-term fundamentals of the Indian economy continue to be strong due to rising incomes and large investments. These growth drivers are expected to sustain over a long period of time. At the same time, there are some concerns due to uncertain global economic environment and slow recovery in developed markets.

OVERVIEW

The company is engaged in trading in shares, financial services and investment activities where the outlook of the business seems to be encouraging over and above we have been diversified into different businesses ranging from third party product distributions (lowest balance sheet risk) to originating unsecured personal loans, corporate loans (highest balance sheet risk). We believe that we are well placed to leverage on the growth opportunities in the economy.

FINANCIAL PERFORMANCE

The Company has achieved a turnover of Rs. 5.65 Lacs during the year with net profitability of Rs. 11,168/-. The company's income from operations primarily includes income from trading and distributions of financial products such as Interest income from Inter-Corporate Loan and Long Term Investments.

FUTURE OUTLOOK

The future outlook of the Company is very prospective and it urges to diversify the various areas related to financial markets. Besides continuing aggressively in the existing growth areas, there are certain specific initiatives that we would like to highlight which the company would be undertaking in the financial year 2012-13. The Company is effectively putting together a growth strategy in the area of Debt Syndication, Private Placement, Corporate / Personal Loan, Advisory Services, Arranger, Distributions of Mutual Fund & Liaison for Financial Products.

SEGMENT REPORTING

Accounting Standard 17 regarding Segment-wise Reporting does not apply to the Company since revenues are derived from only one Segment i.e. Finance Activity.

MERGER DURING FINANCIAL YEAR 2011-12

Pursuant to the order dated 29-05-2012 The Honorable High Court of Delhi has approved the scheme of arrangement for Merger of Sital Holdings Pvt. Ltd. (Transferor Company) and Sital Leasing And Finance Ltd. (Transferee Company) with effect from appointed date i.e. 01-04-2011. Consequently the figures shown in Profit & Loss Account and Balance Sheet for the Current Year are after merging respective figures of aforesaid transferor company using the 'Pooling of Interest' method of accounting as suggested in Accounting Standard 14 issued by ICAI.

A sum of Rs. 55,57,500/- of share capital represents share of the company allotted to the shareholders of Sital Holdings Pvt. Ltd. Pursuant to scheme of arrangement in the ratio 1:20 i.e. Transferee Company Sital Leasing And Finance Ltd. Will issue 1 (one) share of Rs. 10/- each, credited as fully paid up for every 20 (Twenty) Equity Shares of Rs. 10/- each held in the Transferor Company i.e. Sital Holdings Pvt. Ltd. w.e.f. 08.06.2012.

OPPORTUNITIES & THREATS**Opportunities**

- Increase in Income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

Threats

- Inflation could trigger increase in consumer price inflation, which would dampen growth.

- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

RISK MANAGEMENT

Your company operates in the Financial Services Sector, which is affected by variety factors linked to economic development in India and globally which, in turn, also affected global fund flows. Any economic event across the globe can have direct or indirect impact on your company. To Mitigate this, Company has diversified its revenue stream across multiple verticals. Your Company's risk management system is a comprehensive and integrated framework comprising structured reporting and stringent controls. Through its approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the company's future performance. Within the organization, every decision taken, is after weighing the pros and cons of such a decision making taking note of the risk attributable.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The board has also constituted an Audit Committee which meets periodically inter-alia to review the financial results, and the accuracy of financial records.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company believes that the success of an organization largely depends on the quality of its workforce. Employee relations remained cordial and peaceful throughout the year.

CAUTIONARY STATEMENT

Any statement made in this report relating to company's perception of future outlook, objectives, expectations etc. may be considered as forward looking statements within the meaning of applicable securities laws and regulations which may differ from the actual results.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS
AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S
CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Director. I confirm that the Company has in respect of the Financial Year ended March 31, 2012, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

FOR SITAL LEASING & FINANCE LIMITED

Date : 20.08.2012
Place: New Delhi

Sd/-
SURENDER KUMAR JAIN
(DIRECTOR)

TO WHOMSOEVER IT MAY CONCERN

On the basis of examination of books of accounts and other records of M/s SITAL LEASING & FINANCE LIMITED, for the year ended 31.03.2012, we hereby certify that the Company having Certificate of Registration No. B-14.02131 issued by Reserve Bank of India, New Delhi under Section 45 IA of the RBI Act, 1934 **continues to undertake the business of non-banking financial institution** requiring to hold Certificate of Registration under Section 45 IA of the RBI Act, 1934. The Company fulfills the Financial Assets Criteria and Financial Income Criteria as per extant guidelines of RBI i.e.

- a) The Financial Assets are more than 50% of Total Assets during 2011-12 and as on March 31, 2012 (calculation as per annex-A).
- b) The Financial Income is more than 50% of Total income during 2011-12 (calculation as per annex-B)q

The above asset / income pattern of the Company makes it eligible for classification as AFC, Investment Company or Loan Company

Sd/-

ANIL KUMAR
(CHARTERED ACCOUNTANTS)
M. No. 86223

Place : New Delhi
Date : 20.08.2012

**AUDITORS CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF
CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF
THE LISTING AGREEMENT**

To
The Members of
Sital Leasing and Finance Limited
555, Double Storey,
New Rajinder Nagar,
New Delhi-110060

We have examined the compliance of the conditions of Corporate Governance by Sital Leasing And Finance Limited for the year ended 31st March 2012 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 management. Our examination was carried out in accordance with guidance not on certification of corporate governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of the Chartered Accountants of India and was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the financial statements of the company.

In our opinion and to the best of our information and 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 further 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.

Sd/-
ANIL KUMAR
(Chartered Accountants)
M.No. 86223

Dated: 20.08.2012
Place: New Delhi

AUDITORS' REPORT

(Under RBI Act)

To,
The Board of Directors
M/s Sital Leasing & Finance Limited
New Delhi

We have audited the Balance Sheet of **M/s Sital Leasing & Finance Limited**, ('the Company') as at 31st March 2012 and the profit and loss accounts for the year ended on that date, both annexed thereto.

As required by the Non Banking Financial Companies Auditors Report (Reserve Bank of India) Directions 1998 issued in term of Sub Section (1A) of Section 45MA of RBI Act, 1934, our responsibility is to report on the matter specified in paragraphs 3 and 4 of the said Direction and now we report, on the matter to the extent applicable to the company, a hereunder:

- a) The company has obtained a certificate of registration from the Reserve Bank of India vide Registration No. B-14.02131 and the company is non deposit accepting NBFC.
- b) The Board of Directors has passed a resolution for the non-acceptance of public deposits.
- c) The company has not accepted any public deposits during the relevant year.
- d) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

Sd/-

ANIL KUMAR**(CHARTERED ACCOUNTANTS)****M. No. 86223**

Place : New Delhi
Date : 20.08.2012

-:AUDITORS'S REPORT:-

To the members of SITAL LEASING & FINANCE LIMITED

1. I have audited the attached Balance Sheet of **M/S SITAL LEASING & FINANCE LIMITED** as at 31st March, 2012, the Profit & Loss account and Cash Flow Statement of the company for the year ended on that annexed there to. These Financial Statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I 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 principle used and significant statement presentation. I believe that my audit provide a reasonable basis for my opinion.
3. As required by the companies (Auditor's reports) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956. I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 the said order.
4. Further to my comments in the annexure referred to in paragraph (3) above, I report that:-
 - (a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - (b) In my opinion, the company as required by law has kept proper books of accounts so far as it appears from my examinations of those books.
 - (c) The balance sheet and the profit and loss account dealt with by this reports are in agreement with the books of accounts.
 - (d) In my opinion, The balance sheet, The profit and loss accounts and Cash Flow Statement dealt with by this reports comply with the accounting standards referred to in sub section (3C) of section 211 of the companies Act, 1956.
 - (e) On the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, I reports that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-sections (1) of section 274 of the Companies Act, 1956.

- (f) In my opinion and to the best of my information and according to the explanation given to me, the said accounts read together with NOTES thereon, 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:-
- (i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012.
 - (ii) In the case of the Profit and Loss account, of the Profit of the company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Sd/-
ANIL KUMAR
(CHARTERED ACCOUNTANTS)
M. NO. 86223

Place: New Delhi
Date : 20.08.2012

ANNEXURE TO THE AUDITORS' REPORTS

Referred to paragraph 3 of my report of even date

1. IN RESPECT OF ITS FIXED ASSETS: -

- (a) The Company has maintained proper records showing full particulars, including quantitative detail and situation of fixed assets on the basis of available information.
- (B) ALL THE FIXED ASSETS HAVE BEEN PHYSICALLY VERIFIED BY THE MANAGEMENT DURING THE YEAR AT REASONABLE INTERVALS WHICH, IN MY OPINION, IS REASONABLE HAVING REGARD TO THE SIZE OF THE COMPANY AND THE NATURE OF ITS ASSETS. AS EXPLAINED TO US, NO MATERIAL DISCREPANCIES WERE NOTICED ON SUCH VERIFICATION.
- (C) IN MY OPINION, THE COMPANY HAS NOT DISPOSED OFF A SUBSTANTIAL PART OF ITS FIXED ASSETS DURING THE YEAR AND THE GOING CONCERN STATUS OF THE COMPANY IS NOT AFFECTED.

2. IN RESPECT OF ITS INVENTORIES: -

The Company does not have any inventories as at the date of the Balance Sheet because all its purchase of shares etc. has been shown in under the head of Investments.

3. LOAN TAKEN / GRANTED: -

- (a) The company had not given loan to a company / firm or other parties covered in the register maintained under section 301 of the companies Act, 1956. The company had not taken loan from directors covered in the register maintained under section 301 of the companies Act, 1956.
- (b) In my opinion, the rate of interest and other terms and conditions on which loans have been taken/granted whenever applicable from the companies, firms or other parties listed in the register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, whenever interested. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.

4. Having regard to the nature of the company's business and based on my scrutiny of the company's records and the information and explanations received by us, I report that the company's activities are purchase of inventories. In my opinion and according to the information and explanation received by us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of fixed assets. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal controls with regard to purchase of fixed assets.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, In my opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- (b) In my opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh Rupees in respect of any party during the year have made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. Based on my scrutiny of the company's records and according to the information and explanations provided by the management, in my opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2 (b) of the Companies (Acceptance of Deposits) Rule, 1975.
7. In my opinion and according to the information and explanation given to us the company have an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations provided by the management, the company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209 (1) (d) do not apply to the company. Hence, in my opinion, no comment on maintenance of cost records under section 209 (1) (d) is required.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues of Income Tax and cess with the appropriate authorities. The company is not governed by the provision of other statutory acts like ESI, PF, sales tax, etc.
- (b) According to the information and explanations given, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding, as at 31st March 2012 for a period of more than six months from the date they became payable.

- (c) According to the records of the company, there are no dues of sales tax, income tax and cess which have not been deposited on account of any dispute.
10. Since the company does not have accumulated losses as on 31st March 2012, no comment under this clause is required.
11. According to records of the company, the company has not borrowed from financial institutions or banks or issued debentures till 31st March 2012.

Hence, in my opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debentures does not arise.

12. Based on my examination of documents and records in my opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Since the company is neither a chit fund nor a mutual benefit society / nidhi, hence the requirements of this clause do not apply to the company.
14. On the basis of my examination of the company's records, in my opinion that the company is maintaining adequate records regarding transactions and contracts regarding its trading activities in shares securities, debentures and other investment and timely entries have been made in these records. The shares, securities, debentures and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Act.
15. According to the records of the company and information and explanations given to us, the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. According to the records of the company and information and explanations given to us, the company has not taken any terms loans and, therefore, reporting whether the loans were applied for the purpose for which they were obtained, is not required.
17. According to the records of the company and information and explanations given to us, the company has not raised funds on short-term or long-term basis and, therefore, reporting on their utilization, is not required.
18. According to the records of the company and the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the records of the company and the information and explanations given to the company has not issued any debenture.

20. Based upon the audit procedures performed and information and explanation given by the management, I report that no fraud on or by the company has been noticed or reported during the course of my audit.

Sd/-
ANIL KUMAR
(CHARTERED ACCOUNTANTS)
M. NO. 86223

Place: New Delhi
Date: 20.08.2012

SITAL LEASING AND FINANCE LIMITED**BALANCE SHEET AS AT 31-03-2012****(IN RUPEES)**

S. NO.	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
I	<u>EQUITY AND LIABILITIES</u>	-	-	
	<u>Shareholders Funds</u>			
	(A) Share Capital	A	2,450,000.00	2,450,000.00
	(B) Reserves And Surplus	B	9,655,938,706.44	1,651,631.77
	Total(1)		9,658,388,706.44	4,101,631.77
	<u>Current Liabilities</u>			
	(A) Trade Payables	C	-	1,237,000.00
	(B) Other Current Liabilities	D	5,611,882.00	352,942.00
	(C) Short Term Provisions	E	19,640.00	39,065.00
	Total(2)		5,631,522.00	1,629,007.00
	TOTAL(1+2)		9,664,020,228.44	5,730,638.77
II	<u>ASSETS</u>			
	<u>Non-Current Assets</u>			
	(A) Fixed Assets			
	(I) Tangible Assets	F	2,164.97	2,550.59
	(B) Non-Current Investments	G	9,659,508,000.00	-
	(C) Long-Term Loans And Advances	H	4,048,000.00	5,527,000.00
	(D) Other Non-Current Assets	I	-	-
	Total(1)		9,663,558,164.97	5,529,550.59
	<u>Current Assets</u>			
	(A) Trade Receivables	J	955.00	-
	(B) Cash And Cash Equivalents	K	434,850.47	124,137.18
	(C) Short-Term Loans And Advances	L	26,258.00	76,951.00
	Total(2)		462,063.47	201,088.18
	TOTAL(1+2)		9,664,020,228.44	5,730,638.77

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-

Anil Kumar

(Chartered Accountants)

M. NO. 86223

Sd/-

Surender Kumar Jain

(Director)

(00530035)

Sd/-

Priti Jain

(Director)

(00537234)

Place: New Delhi

Date: 20.08.2012

SITAL LEASING AND FINANCE LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31-03-2012

(IN RUPEES)

S. NO.	PARTICULARS	NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
	Revenue From Operations	-	- -	
	Other Income	M	564,522.00	587,000.00
I	Total Revenue		564,522.00	587,000.00
	Expenses			
a	Depreciation And Amortization Expenses	N	48,712.62	517.09
b	Other Expenses	O	485,000.64	460,067.00
II	Total Expenses		533,713.26	460,584.09
III	Profit After Depreciation (I-II)		30,808.74	126,415.91
IV	Less: Contingent Provision For Std. Assets		10,120.00	-
V	Profit Before Tax (III-IV)		20,688.74	126,415.91
VI	Tax Expense			
a	Current Tax		9,520.00	39,065.00
b	Earliar Years Tax		-	-
c	Deferred Tax (Reversal of DTL)		-	(43.00)
VII	Profit (Loss) For The Period (V-VI)		11,168.74	87,393.91
VIII	Earning Per Equity Share			
a	Basic		0.046	0.357
b	Diluted		-	-

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-
Anil Kumar
(Chartered Accountants)
M. NO. 86223

Sd/-
Surender Kumar Jain
(Director)
(00530035)

Sd/-
Priti Jain
(Director)
(00537234)

Place: New Delhi
Date: 20.08.2012

SITAL LEASING AND FINANCE LIMITED

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2012

(IN RUPEES)

NOTE NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
A	<u>Share Capital:</u>	-	-
1	<u>Authorised</u> 1,19,50,000 (Last Year 2,50,000) Equity Shares Of Rs.10/- Each	119,500,000.00	2,500,000.00
2	<u>Issued, Subscribed & Paid Up</u> Shares at the beginning of the Accounting Period 2,45,000 (L.Y. 2,45,000) Equity Shares of Rs. 10/- Additions during The Year Shares at the end of the Accounting Period 2,45,000 (L.Y. 2,45,000) Equity Shares of Rs. 10/-	2,450,000.00 2,450,000.00	- 2,450,000.00
B	<u>Reserve & Surplus:</u>	-	-
	<u>Reserve Under Section 45(IC)</u> At The Beginning Of The Accounting Period Additions During The Year At The End Of The Accounting Period	- - 2,234.00 2,234.00	- - - -
	<u>General Reserve</u> At The Beginning Of The Accounting Period Additions (Resultant Surplus Amount After Merger Of Assets, Liabilities & Reserves) At The End Of The Accounting Period	- 223,022.46 105,592,500.00 105,815,522.46	175,033.00 47,989.46 223,022.46
	<u>Securities Premium Account</u> Transferred on Amalgamation At The End Of The Accounting Period	9,549,450,000.00 9,549,450,000.00	- -
	<u>Surplus</u> At The Beginning Of The Accounting Period (Resultant Profit & Loss Account Balance After Merger) Additions During The Year (Balance In Statement Of Profit & Loss Account)	662,015.24 11,168.74	1,389,204.86 87,393.91
	<u>Transfer To Reserves</u> General Reserve Reserve U/S 45(IC) At The End Of The Accounting Period	- 2,234.00 670,949.98	47,989.46 - 1,428,609.31
	Grand Total	9,655,938,706.44	1,651,631.77

C	<u>Trade Payables:</u>				
	Priti Jain		-		18,000.00
	Surendra Jain		-		19,000.00
	Transnational Growth Fund Pvt. Ltd.		-		1,200,000.00
			-		1,237,000.00
D	<u>Other Current Liabilities:</u>				
	Audit Fees Payable		8,427.00		8,427.00
	Salary Payable		45000.00		282,000.00
	TDS Payable		955.00		-
	Legal & Professional Charges		-		56,000.00
	Expense Payable		-		6,515.00
	Shareholders of Sital Holdings Ltd. (Transferor Co.)		5,557,500.00		-
			5,611,882.00		352,942.00
E	<u>Short-Term Provisions:</u>				
	Contingent Provision For Standard Assets		10120.00		-
	Provision For Taxation		9,520.00		39065.00
			19,640.00		39,065.00
F	<u>Fixed Assets:</u>				
	<u>Tangible Assets</u>				
	<u>Gross Block</u>				
	<u>Assets</u>	OPENING	ADDITION	DELETION	TOTAL
	Air Conditioner	#####	-	-	22,400.00
	Furniture And Fixture	#####	-	-	12,000.00
	Total Of This Year	#####	-	-	34,400.00
	Grand Total	#####	-	-	34,400.00
	Total Of The Previous Year	#####	-	-	34,400.00
	<u>Depreciation Block</u>				
	Air Conditioner	#####	252.00	-	20,839.63
	Furniture And Fixture	#####	133.62	-	11,395.40
	Total Of This Year	#####	385.62	-	32,235.03
	Grand Total	#####	385.62	-	32,235.03
	Total Of The Preivous Year	#####	517.09	-	31,849.41
	<u>Net Block</u>		LAST YEAR		THIS YEAR
	Air Conditioner		1,812.37		1,560.37
	Furniture And Fixture		738.22		604.60
	Total Of This Year		2,550.59		2,164.97
	Grand Total		2,550.59		2,164.97
	Total Of The Previous Year		3,067.68		2,550.59

G	<u>Non Current Investment:</u>				
	<u>UNQUOTED</u>	<u>N.V.</u>	<u>QTY.</u>	<u>AMOUNT</u>	<u>AMOUNT</u>
	Attractive Fin Lease Ltd.	10/-	1000000	100,000,000.00	-
	Carewell Exim Pvt. Ltd.	10/-	1000000	1,000,000,000.00	-
	Danveer Investments Pvt. Ltd.	10/-	495900	59,508,000.00	-
	KDG Properties & Construction Pvt. Ltd.	10/-	2000000	2,000,000,000.00	-
	Solomon Holdings Pvt. Ltd.	10/-	3250000	3,250,000,000.00	-
	Utsav Securities Pvt. Ltd.	10/-	3250000	3,250,000,000.00	-
				9,659,508,000.00	-
H	<u>Long Term Loans And Advances:</u> (Unsecured Considered Good Unless Otherwise Stated)				
	Instyle Exports Pvt. Ltd.			-	4,000,000.00
	Irfan Khan			1,000,000.00	1,000,000.00
	Iskcon Apparel Pvt. Ltd.			27,000.00	527,000.00
	SMC Power Generation Ltd.			3,021,000.00	-
				4,048,000.00	5,527,000.00
I	<u>Misc . Expenditure:</u> (To The Extent Not Written Off Or Adjusted) <u>Preliminary & Pre Operative Expenses</u>				
	Opening Balance/Addition			48,327.00	-
	Less: Written Off During The Year			48,327.00	-
				-	-
J	<u>Trade Receivables:</u> (Unsecured Considered Good Unless Otherwise Stated)				
	KAD Media Solutions			955.00	-
				955.00	-
K	<u>Cash & Cash Equivalents:</u>				
	(A) Balance With Banks			73,208.47	117,960.18
	(B) Cash In Hand			301,642.00	6,177.00
	(C) Cheque In Hand			60,000.00	
				434,850.47	124,137.18

L	<u>Short Term Loans & Advances:</u>		-
	(1) Receivable From Revenue Authorities	-	-
	Tax Deducted At Source	4,500.00	58,700.00
	Income Tax Refund For A.Y 2007-08	2,123.00	2123.00
	Income Tax Refund For A.Y 2009-10	-	15,086.00
	Income Tax Refund For A.Y 2010-11	-	1,042.00
	Income Tax Refund For A.Y 2011-12	19,635.00	-
		26,258.00	76,951.00
		26,258.00	76,951.00

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-

Anil Kumar

(Chartered Accountants)

M. NO. 86223

Sd/-

Surender Kumar Jain

(Director)

(00530035)

Sd/-

Priti Jain

(Director)

(00537234)

Place: New Delhi

Date: 20.08.2012

SITAL LEASING AND FINANCE LIMITED

**ADDITIONAL INFORMATIONS- NOTES TO AND FORMING PART OF
BALANCE SHEET AS AT 31-03-2012**

NOTE NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
A	<u>SHARE CAPITAL:</u>		
1	Shares In The Company Held By Each Shareholder Holding More Than 5 %		
	Shares.(Equity Shares In Nos. Of Rs. 10)		
	CJI Ceramics Pvt. Ltd.	15000	15000
	Mahesh Jatia	44600	44600
	Manju Shree Maheshwari	15000	15000
	Shree Mahalaxmi Invest. & Prop. Co. Pvt. Ltd.	41800	41800
	Vaibhav Maheshwari	15500	15500
	Vinay Kumar Ladia & Ratna ladia	34200	34200
		56800	56800

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-

Anil Kumar

(Chartered Accountants)

M. NO. 86223

Place: New Delhi

Date: 20.08.2012

Sd/-

Surender Kumar Jain

(Director)

(00530035)

Sd/-

Priti Jain

(Director)

(00537234)

SITAL LEASING AND FINANCE LIMITED

NOTES TO AND FORMING PART OF STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2012

(IN RUPEES)

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
M	<u>Other Income:</u>	-	-
	Consultancy Fees	15,500.00	-
	Interest Income (Loan)	266,000.00	587,000.00
	Interest Income (Refund)	1,022.00	-
	Other Income	282,000.00	-
		564,522.00	587,000.00
N	<u>Depreciation And Amortization Expenses:</u>	-	-
	Depreciation	385.62	517.09
	Preliminary Expenses Written Off	48,327.00	-
		48,712.62	517.09
O	<u>Administrative Expenses:</u>	-	-
	Advertisement Expenses	105,926.00	6,854.00
	Audit Fees	8,427.00	8,427.00
	Bank Charges	745.64	-
	Conveyance & Travelling	3,756.00	36,858.00
	DSE Other Charges	22,281.00	-
	Filing Fees	4,000.00	4,000.00
	Legal & Professional Charges	131,500.00	57,000.00
	Listing Fee	11,030.00	5,515.00
	Misc. Expenses	2,500.00	19,574.00
	Office Repair & Maintenance	6,585.00	20,500.00
	Postage & Telegram	303.00	2,541.00
	Printing & Stationary	5,355.00	5,412.00
	Salary Expense	180,000.00	282,000.00
	Staff Welfare	2,592.00	7,541.00
	Telephone Expenses	-	3,845.00
	Total	485,000.64	460,067.00

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-

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(00530035)

Sd/-

Priti Jain

(Director)

(00537234)

Place: New Delhi

Date: 20.08.2012

SITAL LEASING AND FINANCE LIMITED

**ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED**

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
	<u>Payment To The Auditors As</u>	-	-
	Auditor	8,427.00	8,427.00
	For Taxation Matters	-	-
	For Company Law Matters	-	-
	For Management Services	-	-
	For Other Services	-	-
	For Reimbursement Of Expenses	-	-
	Total	<u>8,427.00</u>	<u>8,427.00</u>

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-

Anil Kumar

(Chartered Accountants)

M. NO. 86223

Sd/-

Surender Kumar Jain

(Director)

(00530035)

Sd/-

Priti Jain

(Director)

(00537234)

Place: New Delhi

Date: 20.08.2012

SITAL LEASING AND FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(IN RUPEES)

S. NO.		2011-2012	2010-2011
A.	CASH FLOWS FROM OPERATION ACTIVITIES :		
	Net Profit Before Tax And Extraordinary Items	30,808.74	126,415.91
	Adjustments For :		
	Depreciation	385.62	517.09
	Preliminary Expenditure Written Off	48,327.00	-
	Operating Profit Before Working Capital Changes	79,521.36	126,933.00
	Adjustments For :		
	Increase in Trade Recievables	(955.00)	-
	Increase/Decrease In Current Assets	11,628.00	(58,700.00)
	Increase/Decrease in Trade Payables	(1,237,000.00)	1,237,000.00
	Increase/Decrease In Current Liabilities	(302,060.00)	211,565.00
	Cash Generated From Operations	(1,448,865.64)	1,516,798.00
	Direct Tax Paid	-	-
	Net Cash From Operating Activities	(1,448,865.64)	1,516,798.00
B.	CASH FLOWS FROM INVESTING ACTIVITIES	-	-
	Net Cash Used In Investment Activites	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Reciept Against Loans & Advances Given	1,479,000.00	-
	Loans & Advances Given	-	(1591986.00)
	Net Cash From In Financing Activities	1,479,000.00	(1591986.00)
	NET INCREASE IN CASH AND CASH EQUIVALENTS	30,134.36	(75,188.00)
	CASH & CASH EQUIVALENTS (Opening Balance)	404,716.11	199,325.18
	CASH & CASH EQUIVALENTS (Closing Balance)	434,850.47	124,137.18

NOTE : NEGATIVE FIGURES HAVE BEEN SHOWN IN BRACKETS.

In Terms Of Our Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

Sd/-
Anil Kumar
(Chartered Accountants)
M. NO. 86223

Sd/-
Surender Kumar Jain
(Director)
(00530035)

Sd/-
Priti Jain
(Director)
(00537234)

Place: New Delhi
Date: 20.08.2012

SITAL LEASING & FINANCE LIMITED

A. Statement of Significant Accounting Policies

1. Basis of Accounting

The Company prepares its financial statements on historical cost basis and in accordance with generally accepted Accounting Principles and also in accordance with requirements of the Companies Act, 1956.

2. Income & Expenditure

Income and Expenditure are accounted for on accrual basis.

3. Fixed Assets

Fixed Assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction/installation.

4. Depreciation

Depreciation is provided as per rates of depreciation specified in Schedule XIV of the Companies Act, 1956 on WDV method.

5. Investments

Long Term Investments are stated at cost.

6. Dividend

Dividend is accounted for as and when received.

7. Unless specifically stated to be otherwise, these policies are consistently followed.

B. NOTES ON ACCOUNTS

1. Figures for the previous year have been regrouped or recasted wherever considered necessary.
 - a) Pursuant to the order dated 29-05-2012 The Honorable High Court of Delhi has approved the scheme of arrangement for Merger of Sital Holdings Pvt. Ltd. (Transferor Company) and Sital Leasing And Finance Ltd. (Transferee Company) with effect from appointed date i.e. 01-04-2011. Consequently the figures shown in Profit & Loss Account and Balance Sheet for the Current Year are after merging respective figures of aforesaid transferor company using the 'Pooling of Interest' method of accounting as suggested in Accounting Standard 14 issued by ICAI.
 - b) A sum of Rs. 55, 57, 500/- is shown under the head other current liabilities in the balance sheet represents share of the company will be issued to the shareholders of Sital Holdings Pvt. Ltd. Pursuant to scheme of arrangement in the ratio 1:20 i.e. Transferee Company Sital Leasing And Finance Ltd. issued 1 (one) share of Rs. 10/- each, credited as fully paid up for every 20 (Twenty) Equity Shares of Rs. 10/- each held in the Transferor Company i.e. Sital Holdings Pvt. Ltd.
 - c) After transfer of merger assets, liabilities & reserves of transferor companies at their respective book values, the resultant surplus amount of Rs. 1055.93 lacs has been transferred of General Reserve account in accordance with the Scheme of arrangement.
 - e) According to the Scheme, all transactions of the Transferor Company (Sital Holdings Ltd.) during the 2011-2012 and Profit/Loss

arising there from have been transferred to the Transferee Company (Sital Leasing And Finance Ltd.)

2. Sundry creditors, Loans & Advances are subject to confirmation from the respective parties.
3. No provision for decline in the value of long term investments has been made. It is considered that this decline is of a temporary nature and does not warrant any such provision.
4. In our opinion Current Assets, Loans & Advances are realizable at the value equal to the value at which the same are stated.
5. The management has confirmed that adequate Provision has been made for all the known and determined Liabilities and the same is not in excess of the amount reasonably required . It is further confirmed that there is no Liability of the Company as on 31st March, 2012 in respect of Retirement Benefits, If any payable to its Employee (s).
6. No provision for deferred tax liability as required in AS-22 of "Taxes on Income" issued by ICAI as there are no material timing difference between income and accounting income of the Company.
7. There is no Related Party Transaction during the year so no Related Party Disclosure Is required in terms of Related Party Disclosure (As identified by the Management) In terms of Accounting Standard - 18 Related Party Disclosure issued by the Institute Of Chartered Accountants of India.
8. In the opinion of the management the company has only single Business Segment of Investment & Finance Activities; therefore no Segment Reporting has been Presented In Terms Of Accounting Standard-17 of "Segment Reporting" Issued by the Institute of Chartered Accountant of India.
9. In the opinion of the Board, the loans & advances and current assets are valued equal to the amount at which they are stated.
10. Payment to Auditors :

<u>31.03.2012</u>	<u>31.03.2011</u>
8,427/-	8,427/-

 Audit Fee

11. There was no employee working in the company whose particulars are required to be given u/s 217 (2A) of the Company Act, 1956.
12. Expenditure & Earning in Foreign Currency - Nil
13. Notes the form an integral part of the Balance Sheet and Profit & Loss Account.

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR SITAL LEASING AND FINANCE LIMITED

SD/-	SD/-	SD/-
Anil Kumar (Chartered Accountants)	Surender Kumar Jain (Director) (00530035)	Priti Jain (Director) (00537234)

M. No. 86223

Place : New Delhi
Dated : 20.08.2012

SITAL LEASING & FINANCE LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
PART IV OF SCHEDULE VI OF COMPANIES ACT. 1956**

I.	<u>Registration Details</u>				
	Registration No.	016718		State Code – 55	
	Balance Sheet Dated	31.03.2012			
II.	Capital raised during the year (Amount in Rs. Thousand)				
	<u>Public Issue</u>	<u>Rights Issue</u>	<u>Bonus Issue</u>	<u>Private Placement</u>	
	N.A.	N.A.	N.A.	N.A.	
III.	Position of Mobilization and Development of Funds (Amount in Rs. Thousand)				
	<u>Total Liabilities</u>			<u>Total Assets</u>	
	96,58,389			96,58,389	
IV.	<u>Source of Funds</u>				
	<u>Paid-up Capital</u>	<u>Secured Loan</u>	<u>Reserve & Surplus</u>	<u>Unsecured Loans</u>	
	2,450	NIL	96,55,939	NIL	
V.	<u>Application of Funds</u>				
	<u>Net Fixed Assets</u>	<u>Investments</u>	<u>Misc. Expenditure</u>		
	2	96,59,508	NIL		
	<u>Long-Term Loans & Advances</u>	<u>Deferred Tax Assets</u>	<u>Net Current Assets</u>		
	4,048	NIL	-5,169		
VI.	Performance of company (Amount in Rs. Thousand)				
	<u>Turnover</u>		<u>Total Expenditure</u>		
	565		544		
	<u>Profit /Loss before Tax</u> +/-		<u>Profit/Loss After Tax</u> +/-		
	21		11		
	(Please tick appropriate box + for profit, - for loss)				
	<u>Earning Per Share in Rs.</u>		<u>Dividend Rate %</u>		
	0.014		NIL		

Generic Names of Three Principal
Products/Services of Company
(as per monetary terms)
Item Code No. (ITC Code)

Financing & Investments Activities
Dealing in Shares & Securities

Product Description**IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED****FOR SITAL LEASING AND FINANCE LIMITED**

	SD/-	SD/-
SD/-	Surender Kumar Jain	Priti Jain
Anil Kumar (Chartered Accountants)	(Director) (00530035)	(Director) (00537234)

M. No. 86223

Place : New Delhi
Dated : 20.08.2012

SITAL LEASING AND FINANCE LIMITED

Regd. Office: 555, Double Storey, New Rajinder Nagar, New Delhi- 110060

PROXY FORM

I/We _____ of _____ being member/members of the above Named Company hereby appoint _____ of _____ or failing him/her _____ as my/our Proxy to vote for me/us behalf at the 29th Annual General Meeting of the Company to be held on Saturday the 29th September, 2012 at 11.00 a.m. at 555, Double Storey, New Rajinder Nagar, New Delhi- 110060, and at any adjourned meeting thereof.

Signed this _____ day of _____ 2012.

Signature _____

Regd. Folio No. _____
 DP. Id. No.* _____
 Client Id No.* _____
 No. of Shares _____
 Address _____



Note: The form should be signed across the stamp as per specimen signature registered with the Company. The proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

-----Tear Here-----

SITAL LEASING AND FINANCE LIMITED
Regd. Office 555, Double Storey, New Rajinder Nagar, New Delhi- 110060
ATTENDANCE SLIP

Regd. Folio No. _____
 DP. Id. No.* _____
 Client Id No.* _____
 Mr./Ms. _____
 Father's/Husband's Name _____

I certify that I am a registered Shareholders/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company at 555, Double Storey, New Rajinder Nagar, New Delhi- 110060, on Saturday the 29th September, 2012.

Members'/Proxy's Name in BLOCK Letters _____

Members'/Proxy's Signature _____

- Note:** 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.
 2) Member's Signature should be in accordance with the specimen signature registered with the Company.
 3) Please bring your copy of the Annual Report for reference at the Meeting.
 * Applicable for investors holding shares in electronic form.