

SAINIK FINANCE & INDUSTRIES LIMITED

Board of Directors

Col. Girdhari Singh AVSM (Retd)
Mr. Rudra Sen Sindhu
Mr. Kuldeep Singh Solanki
Lt.Gen.Gorakh Nath AVSM, PVSM (Retd.)
Sh.Vir Sen Sindhu
Sh.Ganesh Chandra Mrig
Sh.Virender Kumar Sehgal
Sh. Gurinder Mohan Singh Johar

Audit Committee

Sh. Gurinder Mohan Singh Johar
Lt.Gen.Gorakh Nath AVSM, PVSM (Retd.)
Ex-Capt Rudra Sen Sindhu

Share Transfer and Shareholders'/ Investors' Grievances Committee

Sh. Virender Kumar Sehgal
Mr. Rudra Sen Sindhu
Col. Girdhari Singh AVSM (Retd.)

Listed At

The Bombay Stock Exchange, Mumbai

Auditors

M/s Kumra Bhatia & Co.
Chartered Accountants
79, Vasant Enclave,
Palam Marg, New Delhi.

Bankers

Citibank N.A.
Bank of India
ICICI Bank
State Bank of Patiala
Dena Bank

Registrar and Share Transfer Agent

(For all securities related activities)
Indus Portfolio Pvt. Ltd.
G-65, Bali Nagar, New Delhi
Email : bharat.b@indusinvest.com

Registered Office

129, Transport Centre, New Rohtak Road,
Punjabi Bagh, New Delhi-110035
Website : www.sainikfinance.com
email : info@sainikfinance.com

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SAINIK FINANCE & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of Sainik Finance & Industries Limited will be held on **Friday, the 30th day of September, 2011** at the Farm House of M/s Kapil Constructions Private Limited, Kishangarh - Mehrauli Road, Near Maa Anandmai Ashram, New Delhi -110 057 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the period from 1st April, 2010 to 31st March, 2011 together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ganesh Chandra Mrig, who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company.
3. To appoint a Director in place of Mr. Vir Sen Sindhu, who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company.
4. To appoint a Director in place of Col. Girdhari Singh AVSM (Retd.), who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company.
5. To appoint Statutory Auditors and to fix their remuneration for the financial year ending as at 31st March, 2012 and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution in this regard:

"RESOLVED THAT M/s Kumra Bhatia & Co., Chartered Accountants, retiring Statutory Auditors of the Company, being eligible for re-appointment and offer themselves for re-appointment, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office as such from the date of conclusion of the ensuing Annual General Meeting till the date of conclusion of the next Annual General Meeting on such remuneration as mutually agreed by the Chairman and the Statutory Auditors."

By order of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi
Dated : 25th August, 2011

Rudra Sen Sindhu
Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL, IF ANY, INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO THE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THEN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED HEREWITH.**
2. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, the relevant details of Mr. Ganesh Chandra Mrig Mr. Vir Sen Sindhu and Col. Girdhari Singh AVSM (Retd.), Directors retiring by rotation and seeking re-appointment are annexed herewith.
3. Annual report is being sent to all members along with this notice and members are requested to bring their copy to the meeting along with duly filled attendance slip (to be handed over at the entrance). No copy of Annual Report shall be distributed at the meeting as an endeavour of the Company to reduce operational cost.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board Resolution / Power of Attorney authorising their representative to attend and vote on their behalf at the meeting.
5. The register of members and share transfer registers of the Company shall remain closed from **Saturday, 24th day of September, 2011 to Friday, 30th day of September, 2011** (both days inclusive).

SAINIK FINANCE & INDUSTRIES LIMITED

INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED:

a) Re-appointment of Mr. Ganesh Chandra Mrig:

Mr. Ganesh Chandra Mrig is Honours Graduate & AISM (Mining) from ISM, Dhanbad. His Knowledge and strategic thinking has immensely supported the growth of the Company. Now, as per Section 255 & 256 of the Companies Act, 1956, the person who's longest in the office is liable to retire by rotation and hence he is liable to retire by rotation and being eligible offered himself to be re-appointed.

As on date, he has no shares in the Company.

Apart from this Company, Mr. Ganesh Chandra Mrig is also Director on Board and member of Committees of the following Public Limited Companies as well as Subsidiary of Public Limited Companies:-

Name of the public Companies/ Subsidiaries of Public Companies in which he is a Director	Name of Committees constituted in the respective Company	Chairman/ Member
ACB (India) Limited	Share Transfer and Shareholder's &Investor Grievance Committee	Member
	Audit Committee	N.A
Kartikay Coal Washeries Private Limited	NIL	N.A
Aryan Energy Private Limited	Audit Committee	Member
Aryan Ispat and Power Private Limited	Audit Committee	Member
ACB (India) Power Limited	NIL	N.A
Aryan Chhattisgarh Power Generation Private Limited	NIL	N.A
Aryan M.P. Power Generation Private Limited	NIL	N.A
TRN Energy Private limited	NIL	N.A
Pragati Vanijaya Limited	NIL	N.A
Sainik Finance and Industries Limited	Audit Committee	N.A
	Share Transfer And Shareholders/ Investors Grievances Committee	N.A
Monnet Ispat and Energy Limited	Audit Committee	Member
	Remuneration Committee	Member

b) Mr. Vir Sen Sindhu:

Mr. Vir Sen Sindhu is a graduate. He has been associated with the Vehicle financing, NBFC for the last 15 years. He is fully conversant with the working of the NBFC & knows the financial market very well.

Now, as per Section 255 & 256 of the Companies Act, 1956, the person whose longest in the office is liable to retire by rotation and hence he is liable to retire by rotation and being eligible offered himself to be re-appointed.

As on date, he is holding 102198 Equity Shares of Rs. 10/- (Rupees Ten only) each in the Company.

Apart from the Company, Mr. Vir Sen Sindhu is also Director on Board and member of committees of the following Public Limited Companies as well as subsidiary of Public Limited Companies:-

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Name of the public Companies/ Subsidiaries of Public Companies in which he is a Director	Name of Committees constituted in the respective Company	Chairman/ Member
Sainik Mining And Allied Services Limited	N.A.	N.A.
Pragati Vanijaya Limited	N.A.	N.A.
Sindhu Farms Private Limited	N.A.	N.A.
Aryan Energy Private Limited	Audit Committee	N.A.
Aryan Ispat and Power Private Limited	Audit Committee	N.A.
Aryan Clean Coal Technologies Private limited	N.A.	N.A.
ACB (India) Limited	Audit Committee Share Transfer & Shareholder's & Investor Grievance Committee	N.A.
ACB (India) Power Limited	N.A.	N.A.
Aryan Chhattisgarh Power Generation Private Limited	N.A.	N.A.
Aryan M.P. Power Generation Private Limited	N.A.	N.A.
M.P. Sainik Coal Mining Private Limited	Audit Committee	N.A.
TRN Energy Private Limited	N.A.	N.A.

C) Col. Girdhari Singh AVSM (Retd.):

Col. Girdhari Singh AVSM (Retd.) is a Graduate, and has been one of the key architects in developing the Company. He is a multi-faceted personality, an Ex-Serviceman, a successful & leading businessman. He has been on the Board since 1991.

Now, as per Section 255 & 256 of the Companies Act, 1956, the person whose longest in the office is liable to retire by rotation and hence he is liable to retire by rotation and being eligible offered himself to be re-appointed.

As on date, he is holding **-9,88,900 Equity Shares of Rs. 10/- (Rupees Ten only)** each in the Company.

Apart from the Company, Col. Girdhari Singh AVSM (Retd.) is also Director on Board and member of committees of the following Public Limited Companies as well as Subsidiary of Public Limited Companies:-

Name of the public Companies/ Subsidiaries of Public Companies in which he is a Director	Name of Committees constituted in the respective Company	Chairman/ Member
Sainik Mining And Allied Services Limited	N.A.	N.A.
Maneesha Finlease Limited	N.A.	N.A.

SAINIK FINANCE & INDUSTRIES LIMITED

DIRECTORS' REPORT

The members,
Ladies and Gentlemen,

Your directors have pleasure in presenting their 19th Annual Report and the Audited Statement of Accounts for the year ended on 31st March, 2011.

1. FINANCIAL RESULTS	(Rs. In lacs)	
	2010-11	2009-10
Particulars		
Net profit before tax & depreciation	(65.65)	117.24
Less: Depreciation	58.44	58.46
Net Profit After Depreciation	(124.09)	58.78
Add: Balance in Profit & Loss Appropriation		
A/c brought forward from last year	591.19	517.77
Provision for Bad & Doubtful Debts Written Back	53.69	65.01
Sub Total	520.79	641.56
Less: Provision for Income Tax - Current	-	40.62
Provision for Income Tax – Deferred	(4.87)	(2.00)
Transfer to Reserve Fund	-	11.75
Net profit carried forward to next year	525.66	591.19

(The company has transferred a sum of Rs. Nil to Special Reserve Fund in Compliance of Section 45IC of the Reserve Bank of India Act, 1934.)

2. DIVIDEND

Your directors do not recommend any dividend for the financial year under report.

3. OPERATIONS OF THE COMPANY

The Company has been carrying out the businesses of manufacturing Portland cement. The Company has sold 23746 MT of Portland Cement during the year under report. However due to stiff competition in the market, the sales realisation per bag remained lower during the year. Further, during the period under review, the Company has also sold 6136 PCC Poles.

The Company is carrying on finance activities, for which the Certificate of Registration has been obtained from the Department of Non Banking Supervision, Reserve Bank of India, New Delhi. The Company has not accepted any deposit from any member of the public during the year under review.

The net loss of the Company are Rs.124.09 lacs during the year under review.

4. DIRECTORS

Mr. Ganesh Chandra Mrig, Mr. Vir Sen Sindhu and Col. Girdhari Singh AVSM (Retd.), Directors of the Company retire by rotation and being eligible, have offered themselves for re-appointment. Your Directors recommend their re-appointment as Directors of the Company.

5. PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANIES ACT, 1956

None of the employees of the Company has drawn salary in excess of the limits prescribed in the said section of Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 and hence no such list is being provided.

6. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of Annual Accounts for the financial year ended as at 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to the material departures.

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- 2) That the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended as at 31st March, 2011 and of the profit or loss of the Company for the financial year ended on 31st March, 2011.
- 3) That the Directors have 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 or other irregularities.
- 4) That the Directors have prepared the Annual Accounts on a Going Concern basis.

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

Details of energy conservation along with the information in accordance with Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1998 is annexed herewith forming part of this report. There was no foreign exchange earning & outgo during the year.

8. PUBLIC DEPOSITS

The Company has not invited or accepted any public deposits within the meaning of Section 58A & 58AA of the Companies Act, 1956 and section 45-I(bb) of the Reserve Bank of India Act, 1934 during the year under review. The company does not hold any public deposit as on date and will not accept the same in future without the prior approval of Reserve Bank of India.

9. SECURED NON-CONVERTIBLE DEBENTURES

During the year under review, the Company issued non-convertible debentures on private placement basis, to augment the resources of the Company having maturity period of 364 days. These debentures are secured by way of charge on all the assets (including current assets) of the Company. However, as on date, the Company does not have any such Non- Convertible Debentures outstanding.

10. AUDITORS REPORT

The Auditors' Report on Annual Accounts of the Company for the year ended on 31st March, 2011 is self explanatory. Hence, no explanation is required to be given.

11. AUDITORS OF THE COMPANY

M/s Kumra Bhatia and Co., Chartered Accountants, New Delhi, retiring Statutory Auditors of the company retire at the conclusion of this annual general meeting and being eligible, have offered themselves for re-appointment. The Company has received a certificate from them pursuant to Section 224(1B) of the Companies Act 1956, confirming their eligibility for re-appointment. You directors recommend their re-appointment for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

12. INDUSTRIAL RELATIONS

Industrial relations continue to be cordial throughout the year and the directors express their sincere appreciation for the excellent team work with which the employees of the Company have worked during the year.

13. CORPORATE GOVERNANCE REPORT

A detailed report on Corporate Governance prepared in accordance with the Clause 49 of the Listing Agreement is annexed herewith and is forming part of this Annual Report.

14. LISTING OF SECURITIES

Presently, the Securities of the Company are listed on Bombay Stock Exchange Limited, Mumbai.

15. ACKNOWLEDGEMENTS

Your directors would like to place their grateful appreciation for the assistance and co-operation received from the Company's bankers during the year under review. The directors also acknowledge with appreciation the support and co-operation rendered by various Government Agencies and Departments. Your Directors would also wish to place on record their deep sense of appreciation for the continued support of all the investors of the Company.

By order of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi
Dated : 25th August, 2011

Rudra Sen Sindhu
(Director)

Kuldeep Singh Solanki
(Director)

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ANNEXURE - I

Form for Disclosure of Particulars with respect to Conservation of Energy (Sec.217(1)(e) of the Companies Act, 1956)

A. Power & Fuel consumption

	Current Year	Previous Year
1. Electricity		
a) Purchased/consumption Units	2341180	3815580
Total Amount (Rs.)	11264154	17224572
Rate/ Unit (Rs.per units)	4.81	4.51
b) Own generation		
i) Through Diesel Generator Units	64104	129448
Unit per liter of diesel oil	2.25	2.26
Cost/ Unit (Rs.)	16.24	12.83
ii) Through steam turbine/ generator Units		
Units per liter of fuel oil/gas	N.A.	N.A.
2. Coal (specify quality and whereused)		
Quantity (tonnes) (MT)	3234.702	4642.912
Total Cost (Rs.)	23869958.27	25045977.26
Average rate (Rs.)	7379.34	5394.45
3. Furnace Oil		
Total Amount (Average rate)	N.A.	N.A.
4. Others/Internal Generation		
Quantity		
Total Cost	N.A.	N.A.
Rate/Unit	N.A.	N.A.

B. Consumption per unit of production

	Standard (if any)	Current year (MT)	Previous year (MT)
Cement			
Products (with details)	Unit		
Electricity	-	98.76	101.45
Furnace Oil	-	-	-
Coal	-	0.14	0.12
Others (Specify)	-	-	-

By order of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi
Dated : 25th August, 2011

Rudra Sen Sindhu
(Director)

Kuldeep Singh Solanki
(Director)

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE - II

CORPORATE GOVERNANCE REPORT for the financial year ended on 31st March, 2011

1. COMPANY'S PHILOSOPHY

The Corporate Governance refers to set of policies, systems, regulations and procedures to be followed in the best interest of stakeholders i.e. Shareholders, Consumers, Banks, financial institutions and employees of the Company etc. Our Company is making regular compliances and furnishing the information related to the performance and prospect of the Company keeping in view of true spirit of the Corporate Governance. The Company's philosophy is the conduct of its affairs transparently with all persons dealing with the Company and/or having a stake in the Company. As required under clause 49 of the Listing Agreement entered into with the Stock Exchange, all necessary disclosures are set out towards achievements of good Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors of the Company provides leadership, strategic guidance to the Company and exercises control over the Company and accountable at all time to the shareholders of the Company. The present Board comprises of **8(Eight)** Directors (of which 4 are independent Directors) who have expertise in their functional areas.

The composition of the Board of Directors as on date is as follows:

NAME OF DIRECTOR	CATEGORY
Col. Girdhari Singh AVSM (Retd.)	Chairman Non-Independent Non-Executive Director
Mr. Rudra Sen Sindhu	Vice-Chairman Non-Independent Executive Director
Mr. Kuldeep Singh Solanki	Non-Independent Non-Executive Director
Mr. Vir Sen Sindhu	Non-Independent Non-Executive Director
Lt. Gen. Gorakhnath AVSM PVSM (Retd.)	Independent Non-Executive Director
Mr. Ganesh Chandra Mrig	Independent Non-Executive Director
Mr. V.K. Sehgal	Independent Non-Executive Director
Sh. G.M.S. Johar	Independent Non-Executive Director

During the year under review, Col. Girdhari Singh AVSM (Retd.), Chairman of the Company acted as Chairman at two Board Meetings held on 1st April, 2010 and 29th October, 2010 and Mr. Kuldeep Singh Solanki, Director of the Company acted as the Chairman at other Board meetings and Annual General meetings held during the financial year ended as at 31st March, 2011.

None of the Director of the Company is member in more than ten Committees and they do not act as Chairman of more than five Committees across all Companies in which they are directors.

Board Meetings held during the year under review:

During the Year 2010-11, Eleven (11) meetings of the Board of Directors of the Company were held on 1st April, 2010, 30th April, 2010, 15th May, 2010, 31st July, 2010, 4th September, 2010, 9th October, 2010, 29th October, 2010, 10th November, 2010, 15th December, 2010, 31st January, 2011 and 31st March, 2011.

The following table summarises the attendance of all the Directors at the Board meetings.

NAME OF DIRECTORS	ATTENDANCE DETAILS		NUMBER OF OTHER COMPANIES IN WHICH DIRECTOR*	OTHER COMMITTEES OF WHICH	
	BOARD MEETINGS	AGM HELD ON 30-09-10		CHAIRMAN	MEMBER
Col. Girdhari Singh AVSM (Retd.)	2	No	2	-	-
Mr. Rudra Sen Sindhu	9	No	13	-	04
Mr. Kuldeep Singh Solanki	9	Yes	10	1	02
Lt. Gen. Gorakhnath AVSM PVSM (Retd.)	2	No	1	-	-
Mr. Vir Sen Sindhu	6	No	11	-	-
Mr. Ganesh Chandra Mrig	5	No	10	-	05
Mr. V.K. Sehgal	9	Yes	5	-	-
Sh. G.M. S. Johar [#]	10	Yes	1	-	-

* It does not include the Independent Private Limited Companies and Foreign Companies.

SAINIK FINANCE & INDUSTRIES LIMITED

The Board has access to the following **information / records**:

- Annual operating plans and budgets;
- Quarterly results of finance division and cement division;
- Minutes of the meetings of the Audit Committee, Share transfer and shareholders'/investors' grievances Committee;
- Recovery suits by the Company against defaulters in the finance division;
- All other items/events of materially important nature.

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted various committees of the Board to ensure focussed attention on the various aspects of the Company's working. The Company has the following Committees of the Board.

3.1 Audit Committee

The Constitution of the Audit Committee meets with the requirements of section 292A of the Companies Act, 1956 as well as the Listing Agreement. All the members of the committee are financially literate members.

The **Audit Committee** as on 31st March, 2011 comprises of the following members:

Sh. Gurinder Mohan Singh Johar	Chairman	Independent-Non-Executive Director.
Lt. Gen. Gorakh Nath AVSM PVSM (Retd.)	Member	Independent-Non-Executive Director.
Ex-Capt. Rudra Sen Sindhu	Member	Non-Independent Executive Director

The **Audit Committee** is responsible for the following activities:-

- 1) Supervising the financial reporting process in order to ensure proper disclosure of financial statements.
- 2) Recommending to the Board, the appointment, re-appointment, replacement or removal of the statutory auditors and the fixation of their audit fees or fees for any other services rendered by them.
- 3) Reviewing with the Management the Quarterly Financial Statements and Annual Financial Statements before submission to the Board for approval with particular reference to matters to be included in Director's Responsibility Statement, Changes in Accounting Policies & Practices, if any, Qualifications in the Audit Report, etc.
- 4) Reviewing with the Management performance of Statutory and Internal Auditors.
- 5) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 6) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any, etc.

During the year under review, **6 (Six)** Audit Committee meetings were held. The attendance record of the members during these meetings is set down below:-

Date of Meeting	Lt. Gen. Gorakhnath AVSM PVSM (Retd.)	Mr. Rudra Sen Sindhu	Sh. Gurinder Mohan Singh Johar
26-04-2010	No	Yes	Yes
31-07-2010	Yes	No	Yes
04-09-2010	No	Yes	Yes
25-10-2010	Yes	No	Yes
31-01-2011	Yes	No	Yes
31-03-2011	No	Yes	Yes

3.2 Share Transfer, Shareholders' and Investors' Grievances Committee

The Share Transfer/ Shareholders' and Investors' Grievances Committee looks into the matters of complaints of the investors and shareholders relating to the non-receipt of dividend warrants, annual reports, share transfers / transmission in time, issue of duplicate share certificate, remat / demat of shares, change of address etc. and the redressal of their complaints.

The **Share Transfer/ Shareholders' and Investors' Grievances Committee** as on 31st March, 2011 comprises of the following members:

Sh. Virender Kumar Sehgal	Chairman	Independent-Non-executive Director.
Mr. Rudra Sen Sindhu	Member	Non - Independent Executive Director.
Col. Girdhari Singh, AVSM (Retd.)	Member	Non-Independent Non-Executive Director

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The Committee met **9 (Nine)** times during the year under review. The following table summarises the attendance of the members at the Share Transfer/ Shareholders' and Investors' Grievances Committee of the Company:

Date of Meeting	Lt. Gen. Gorakhnath AVSM PVSM (Retd.)	Mr. Rudra Sen Sindhu	Sh. Gurinder Mohan Singh Johar
19-04-2010	No	Yes	Yes
15-05-2010	Yes	No	Yes
30-06-2010	No	Yes	Yes
13-08-2010	Yes	No	Yes
09-09-2010	Yes	No	Yes
09-10-2010	Yes	No	Yes
24-11-2010	Yes	No	Yes
15-12-2010	No	Yes	Yes
31-03-2011	No	Yes	Yes

The details of queries/ complaints received from shares holders, status thereof etc. are summarised as under during the year under review:

Sl. No.	Particulars	Status	Remark
1.	Number of queries/complaints received from shareholders/ investors from April 01, 2010 to March 31, 2011 regarding non-receipt of dividend/ interest warrants, non-receipt of shares sent for transfer etc	NIL	
2.	Number of queries/complaints not attended	N.A.	
3.	Number of request of Share Transfer / Transmission received during the year.	51	
4.	Number of Share Transfer cases done during the year.	51	
5.	Number of Share Transfer pending during the year.	NIL	

3.3 Remuneration Committee

The Company does not have Remuneration committee as contemplated under the Listing Agreement, as the Company is not paying any remuneration to its Directors.

4. GENERAL MEETINGS

Location and time of the last three Annual General Meetings:

Year	Date	Time	Location
2010	30th September, 2010	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Kishangarh-Mehrauli Road, Near Ma Anandmai Ashram, New Delhi-110 057
2009	30th September, 2009	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Kishangarh-Mehrauli Road, Near Ma Anandmai Ashram, New Delhi-110 057
2008	29th September, 2008	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Kishangarh-Mehrauli Road, Near Ma Anandmai Ashram, New Delhi-110 057

The following table summarises the details of special resolution passed or not during the last three years:

Sl. No.	Particulars	Status	Remark
1.	Whether any Special Resolutions were passed at the last three Annual General Meeting	No	
2.	Whether Special Resolutions were put through postal ballot at the last three Annual General Meeting	No	
3.	Persons who conducted the postal ballot	N.A.	
4.	Procedure for postal ballot	N.A.	

SAINIK FINANCE & INDUSTRIES LIMITED

5. DISCLOSURES

- | | | |
|---|---|------|
| a) On materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, Directors or the management, their subsidiaries/relatives that may have potential conflict with the interests of the Company at large. | – | None |
| b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, or the Securities and Exchange Board of India or any other statutory body/ authority, on any matter related to capital markets during the last three years. | – | None |

6. MEANS OF COMMUNICATIONS WITH THE INVESTORS/SHAREHOLDERS

- | | |
|--|---|
| a) Half Yearly report sent to each household of shareholders | No, the results were published by the Company in National and regional newspapers in English and Hindi. |
| b) Quarterly results | Are published in the following newspapers:
The Pioneer -English, and
Dainik Haribhoomi -Vernacular language (Hindi) |
| c) Any website where displayed | www.sainikfinance.com |
| d) Whether the website also displays official news releases | Yes |
| e) Presentations made to institutional investors and analysts | No |
| f) Whether Management Discussion and Analysis Report forms part of Annual Report | Yes |

7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	:	30 th September, 2011
Day	:	Friday
Time	:	9:30 A.M.
Venue	:	Farm House of Kapil Constructions Pvt. Ltd. Kishangarh-Mehrauli Road, Near Maa Anandmai Ashram, New Delhi-110 057.

Financial Calendar (tentative)

Financial year	–	April 01, 2011– March 31, 2011
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Quarterly results- For Quarter ending

30-06-2011	–	4th/5th week of July, 2011.
30-09-2011	–	4th/5th week of October, 2011.
31-12-2011	–	4th/5th week of January, 2012.
31-03-2012	–	4th/5th week of April, 2012.

Book closure

Saturday, 24th September, 2011 to Friday, 30th September, 2011 (both days inclusive).

Listing on Stock Exchange(s):

Bombay Stock Exchange Limited, Mumbai,
Floor 25, P.J. Towers, Dalal Street,
Mumbai - 400 001.

The Listing fees have been paid to the Stock Exchange for the year 2011-12.

Stock Exchange Code

For Bombay Stock Exchange	–	530265 (SAINIK FINANCE)
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SAINIK FINANCE & INDUSTRIES LIMITED

Market Price data (as traded in the Bombay Stock Exchange Limited) during the year under report.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2010	12.14	9.54	Oct., 2010	11.40	8.70
May, 2010	11.49	10.01	Nov., 2010	9.53	8.67
June, 2010	12.00	10.46	Dec., 2010	10.00	8.66
July, 2010	12.05	11.75	Jan., 2011	9.11	9.11
Aug., 2010	11.90	8.23	Feb., 2011	8.67	8.08
Sept., 2010	10.37	8.11	Mar., 2011	8.00	6.95

Share Transfer system

Share transfer requests (in physical form), on receipt by the Registrars and Share Transfer Agents of the Company (M/s Indus Portfolio Private Limited) are affected in approximately 30 days. The demat requests received by the Registrars and Share Transfer Agents are processed in about 10 days from the date of receipt.

Share Registrar and Transfer Agents:

Indus Portfolio Private Limited,

G-65, Bali Nagar, New Delhi-110 015.

Tel. Nos : 91-11-47671200 Fax no: 91-11- 25449863.

Email : bharat.b@indusinvest.com

Website : www.indusinvest.com

Business Hours : 10:00 a.m. to 6:00 p.m. (Monday to Saturday)

The shares of the Company are traded on the stock exchange in dematerialised form with effect from 18th July, 2000.

Distribution of Shareholding as on 31st March, 2011

Category wise Shareholding (in shares)	No. of Shareholders	% to Total Shareholders	Number of Share held	% to total share capital
UPTO 500	3022	84.92	310316	2.85
501 - 1000	171	4.80	133603	1.23
1001 - 5000	244	6.86	616955	5.67
5001- 10000	49	1.38	366809	3.37
10001-20000	26	0.75	413784	3.80
20001-30000	3	0.08	76200	0.70
30001-40000	5	0.14	175049	1.61
40001-50000	5	0.14	228486	2.1
50001-100000	10	0.28	686030	6.31
ABOVE 100000	23	0.65	7872768	72.36
	3558	100.00	10880000	100.00

Shareholding Details as on 31st March, 2011.

Category	No. of shares held	Percentage of shareholding
Promoters	55,68,945	51.19%
Institutional Investors	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Banks, Financial institutions, Insurance Companies (Central / State Govt. Institutions/Non-govt. Institutions)	NIL	NIL
FII's	NA	NA
Private Corporate Bodies	35,03,747	32.20%
Indian Public	17,70,141	16.27%
NRIs	36,097	0.33%
Clearing House	1070	0.01%
Clearing Member	-	-
TOTAL	1,08,80,000	100%

SAINIK FINANCE & INDUSTRIES LIMITED

Top 10 Shareholders as on 31st March, 2011.

Sr. No.	Name	Shares	Percentage
1.	Maneesha Fin lease Limited	9,96,161	9.16
2.	Col. Girdhari Singh, AVSM (Retd.)	9,88,900	9.09
3.	Sainik Mining and Allied Services Limited	8,53,666	7.85
4.	Bhandari Consultancy and Finance Limited	8,15,133	7.49
5.	Mr. Kuldeep Singh Solanki	5,03,165	4.62
6.	Mr. Yuvraj Singh Solanki	4,32,833	3.98
7.	Garuda Imaging and Diagnostics Private Limited	3,55,432	3.29
8.	Mrs. Indu Solanki	3,37,833	3.11
9.	Mr. Rudra Sen Sindhu	324,284	2.98
10.	Ch. Mitter Sen Sindhu	3,08,466	2.84

Dematerialisation of Shares and Details thereof

The shareholders desirous of getting the shares dematerialised should approach a depository participant (DP) (For example, Indus Portfolio Private Limited) and get a depository account opened. The share certificates should be deposited with the same Depository Participant who shall approach the Company and get the shares dematerialised.

76,07,540 Equity shares of the Company i.e. **69.92%** of total paid up share capital are held in dematerialised form as on 31st March, 2011.

Demat ISIN in NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited) -**INE584B01013**

Plants/Branch Offices of the Company:

Finance Division

Head Office : 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi - 110035.

Branch Office : Rajendra Nagar Chowk, 4 Link Road, Bilaspur (Chhattisgarh)

Cement Division & Pole Division

Head Office : 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi - 110035.

Plant : Village Jaliawas, 94.8 km stone, Delhi Jaipur Road, NH 8, Tehsil Bawal, District Rewari (Haryana)

Address for Correspondence :

For any query related to Annual Report, Transfer of Shares and other query related to shares, please contact at the following addresses.

Registered Office of the Company :

129, Transport Centre, Rohtak Road,

Punjabi Bagh, New Delhi-110035

Tel.No : 011-28315036

Fax. No : 011-28315044

E-mail : info@sainikfinance.com

Registrar and Transfer Agents:

Indus Portfolio Private Limited,

G-65, Bali Nagar, New Delhi-110 015.

Tel. Nos: 91-11-47671200 **Fax no:** 91-11- 25449863.

Email: bharat.b@indusinvest.com

Website: www.indusinvest.com

Business Hours: 10:00 a.m. to 6:00 p.m.(Monday to Saturday)

By order of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi
Dated : 25th August, 2011

Rudra Sen Sindhu
(Director)

SAINIK FINANCE & INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

The GDP growth in 2010-11 meet out the expectations of economic recovery based on the inherent strengths. Despite gradual withdrawal of stimulus measures, recovery was strong on account of rebound in agricultural income with increase in agricultural production and a good industrial and service sector growth giving boost to private consumption and investment. However, growing inflation particularly in food prices was a big concern for the Government and steps were taken to check inflation by gradual tightening of monetary policy. Series of interest rate increases were implemented to control the inflation. The state of economies of many developed countries continue to be a cause of concern and this has resulted more capital flows to emerging markets, particularly India for better returns.

OUTLOOK

Economy

Indian economy is well positioned to attain sustainable growth trajectory with strong demand, robust consumption, savings and investment. Increasing number of young middle class households will have increased capacity for spending and housing sector will be a major beneficiary. However, there are some challenges also in the near term such as inflation, deceleration in corporate spending and hardening of global energy prices which can be tackled by coordinated monetary & fiscal policy measures. Despite these challenges, India has inherent strengths to emerge as a Global Super Power.

OPPORTUNITIES AND THREATS

Growth of GDP and cement consumption has a correlation and cement growth is normally 2% over the GDP growth. Demand will be driven by Government's ambitious plans for infrastructure development and its stimulus for enhancing rural income and affordable housing. Strong demand from housing sector is also anticipated arising out of increasing urbanization and higher disposable income of middle class. Though Indian economy has strong fundamentals, it has also witnessed impact of slowdown on growth. If demand growth is hampered due to loss of impetus to implement infrastructure development programmes and/ or escalating inflationary pressures, the oversupply could potentially become a significant issue.

RISKS AND CONCERNS

Concerns to the Indian cement industry are high cost of power & coal/pet coke, high freight cost, inadequate Infrastructure, non availability of wagons, competitive environment, skilled workers & managerial talent and taxes/royalty levies. Coal is the primary input for Cement production and captive power generation remains the most important cost element for the cement industry.

INTERNAL CONTROL SYSTEMS

The Internal Audit function is an independent function and is carried out by team of external as well as in house auditors at the plants, sales centers, regional offices, and head office.

The Company has proper and adequate systems of internal controls to provide reasonable assurance that transactions are authorized, recorded and reported correctly and to ensure compliance with policies, statute. The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures.

PERFORMANCE DURING THE YEAR

The Company has three divisions

- a) Cement Division;
- b) Finance Division; and
- c) Pole Division

The management's perception and analysis about these three divisions is summed up as follows:

SAINIK FINANCE & INDUSTRIES LIMITED

Cement Division:

The Company is operating a 200 tonnes per day mini cement plant based on Vertical Shaft Kiln (VSK) Technology, at Village-Jaliawas, District-Rewari, Haryana. During the year under report, the Company has achieved a lower turnover of Rs. 7.02 Crores from Cement division as compared to Rs.11.29 during the previous year due to stiff competition in the market and the Company sold 23746 MT of Portland Cement during the year under review. The Company has taken various steps to become cost effective. However, due to stiff competition and high power tariff and Government duties in the State of Haryana, the net realisation for the Company has been quite low considering the fact that the cement industry has been passing a lean phase, and a sluggish off take, and taking into account the per capita consumption of cement in India (100 kgs.) as compared to the world per capita cement consumption (270 kgs.) being on the lower side, the Management is hopeful of getting the cement division back into black.

Finance Division:

The Company is carrying on finance business to finance the equipments/ cars etc. during the year under review. The Company has an excellent track record in collections & recovery of loan.

Pole Division:

Since 2007-08, the Company is engaged in the business of manufacturing of PCC Poles at Jaliawas, District Rewari, Haryana. During the year under report, the Company has achieved lower turnover of Rs.1.63 Crores from Pole division as compared to Rs.3.77 Crores during the previous year due to non- receipt of new tenders / supply orders from the suppliers during the year under review.

HUMAN RESOURCES

To achieve the aspiration, Company has derived a long term strategy and has focused on the capability development of existing Human Resources. Satisfaction level of the employees of the organization has been phenomenal and in spite of the high attrition level in cement industries the attrition level in the organization has always been within the acceptable standards.

By order of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi
Dated : 25th August, 2011

Rudra Sen Sindhu
(Director)

SAINIK FINANCE & INDUSTRIES LIMITED

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT:

This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Directors i.e. Vice President level) of the Company, have confirmed compliance with the Company's Code of Conduct during year 1st April, 2010 to 31st March, 2011:-

The Company's Code requires every member of the Board and Senior Management to:

- Fulfill the functions of their office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence.
- Act in the best interests of, and fulfill their fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders.
- Take informed business decisions based on independent judgment and in the best interests of the Company, not influenced by personal interest or gain.
- Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same.
- Make available to, and share information with fellow Directors / Executives when considered expedient in the best interests of the Company.
- Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets.
- Minimize any situation or action that can create conflict of interests of the Company vis-à-vis personal interest or interests of associated persons, and make adequate disclosures, where necessary.
- Act in a manner that will protect the Company's reputation.
- Encourage reporting of behavior, which is contrary to the Company's 'Values', and ensure that the person reporting such violation is not aggrieved in any manner.
- Comply, in letter and spirit, with all applicable laws, rules and regulations, and also honour the philosophy of 'good faith', guided by one's sense of right and wrong.
- Abide by the relevant terms of the Insider Trading Code formulated by the Company, and any other Code that may be formulated from time to time, as applicable.
- Adhere to the terms of the powers delegated by the Board.
- Whilst entering into contracts with Service Providers and Consultants, protect the arrangement for disclosure or dissemination of confidential information.
- Establish processes and systems for storage, retrieval and dissemination of documents, both in physical and electronic form, so that the obligations of this Code of Conduct are fulfilled.
- Raise concerns, if any, on the above issues, at a Board Meeting.

For and on behalf of the Company
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Rudra Sen Sindhu
(Director)

Place : New Delhi
Dated : 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

Chief Executive Officer and Chief Financial Officer's Certificate on Corporate Governance:

To

The Board of Directors

Sainik Finance & Industries Limited

CERTIFICATE

We have reviewed the financial results and the cash flow Statement of Sainik Finance & Industries Limited for the financial year ended as at 31st March 2011 and certify that:

- (a) These results and statements, to the best of our knowledge and belief:
 - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) present, a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which we are aware, and the steps taken and proposed to be taken to rectify these deficiencies.
- (d) We have also intimated to the Auditors and the Audit Committee that there were no:
 - (i) Significant changes in the internal controls with respect to financial reporting during the year under review.
 - (ii) Significant changes in accounting policies during the year under review.
- (e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

For and on behalf of the Company
For **SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi
Dated : 25th August, 2011

Punit Ghai
President / CFO

SAINIK FINANCE & INDUSTRIES LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
Sainik Finance and Industries Limited

We have examined the compliance of conditions of corporate governance by Sainik Finance and Industries Limited, for the year ended 31st March, 2011 as per clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination 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 an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the listing agreement entered into by the said Company with the stock exchanges.

We certify that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/ investors' Grievance Committee.

We further certify 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 **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

(P. K. Bhatia)
Partner
M. No. 81174

Place : New Delhi
Dated : 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

AUDITORS' REPORT

The Members,

SAINIK FINANCE & INDUSTRIES LIMITED

1. We have audited the attached balance sheet of SAINIK FINANCE & INDUSTRIES LIMITED, as at 31st March 2011, and also the profit and loss account for the year ended 31st March 2011. 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 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 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - iii) The balance sheet & profit and loss account dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the balance sheet, profit and loss account dealt with by this report complies 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 the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of 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 Loss for the year ended on that date.
 - c) In the case of cash flow statement of the cash flows for the year ended on that date.

For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

(P. K. Bhatia)
Partner
M. No. 81174

Place : New Delhi
Dated : 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE

Re : Sainik Finance & Industries Limited

For the year ended 31st March, 2011

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have not been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) The company has sold few fixed assets during the year under report. The sales do not constitute or substantial part of the assets of the company and do not cast any doubt on the company's ability to continue as a going concern in the foreseeable future.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of 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) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The company has not taken any loans from company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. Nil and the year-end balance of loans given to such parties was Rs.Nil.
(b) The company has given loans to one company covered in the register maintained u/s 301 of the Companies' Act 1956. The maximum amount involved during the year was Rs. 31.32 Lacs and the year-end balance of loans given to such parties was Rs.34.27 Lacs.
(c) In our opinion the terms and conditions on which loans have been taken from / granted to companies, firms or other parties listed in the register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.
(d) The company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
(e) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 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 registers maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The provision of section 209(1)(d) of the Companies Act, 1956 does not apply.

SAINIK FINANCE & INDUSTRIES LIMITED

9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding., as at 31st March 2011 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, custom tax / wealth tax, excise duty / cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses for the previous years. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi / mutual benefit society. Hence, in our opinion, the requirements of Clause 4 (xiii) of the order do not apply to the company.
14. On the basis of our examination of the companies' records we are of the opinion that the company is maintaining adequate records regarding transaction 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. The company has given guarantee in connection with loan taken by others from banks or Financial Institutions. In our opinion, the terms and conditions of the guarantees given are not pre-judicial to the interest of the company.
16. No term loan has been obtained during the year.
17. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, we report that no funds raised on short-term basis have been used for long-term investment and vice versa.
18. Based on our examination of records and the information provided to us by management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the period covered by our audit report, the company has issued 3794 - 10% Debentures of Rs.1000/- each, the terms of issue of which require the creation of security. The company has during the year created the security in accordance with the terms of issue of the debentures. The debentures stands redeemed at the year end.
20. The company has not made any public issue during the year under reporting.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

(P. K. Bhatia)
Partner
M. No. 81174

Place : New Delhi
Dated : 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE NO.	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	1	108,800,000.00	108,800,000
Reserves & Surplus	2	136,744,639.27	143,298,165
		245,544,639.27	252,098,165
Loan Funds			
Unsecured Loans	3	8,864,299.00	12,765,508
		8,864,299.00	12,765,508
Deferred Tax Liability			
		8,981,598.00	9,468,420
TOTAL		263,390,536.27	274,332,093
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	116,639,808.59	116,730,459
Less : Depreciation		62,566,820.35	56,908,470
Net Block		54,072,988.24	59,821,989
Less : Lease Adjustment Account		(3,120,869.34)	(3,040,110)
		57,193,857.58	62,862,099
Investments			
	5	68,461,410.00	68,461,410
Current Assets, Loans & Advances			
Inventories	6	20,548,042.99	27,000,634
Sundry Debtors		12,015,713.75	21,495,989
Cash & Bank Balances		35,767,538.81	69,774,487
Loans & Advances		101,302,468.36	69,864,434
		169,633,763.91	188,135,544
Less : Current Liabilities & Prov.			
Liabilities	7	13,622,802.22	12,592,924
Provisions		18,275,693.00	32,534,036
		31,898,495.22	45,126,960
Net Current Assets (6 - 7)		137,735,268.69	143,008,584
TOTAL		263,390,536.27	274,332,093

Significant accounting policies and notes to accounts 14

The accompanying notes and schedules form an integral part of the accounts

As per our separate report of even date
For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

On behalf of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

P. K. BHATIA
Partner
M.No. 81174

Rudra Sen Sindhu
Director

Kuldeep Singh Solanki
Director

Place : New Delhi
Dated : 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE NO.	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
INCOME			
Sales	8	86,793,296.00	151,049,908
Lease Rentals	9	80,759.00	100,949
Interest & Finance Charges	10	15,129,184.22	17,673,915
Other Income	11	195,143.70	857,182
		102,198,382.92	169,681,954
EXPENDITURE			
Manufacturing Expenses	12	83,244,738.55	125,381,166
Administrative & Other Expenses	13	24,536,135.26	30,510,003
Interest Paid		983,787.00	2,066,215
Depreciation	4	5,843,618.00	5,846,184
		114,608,278.81	163,803,568
Profit/(Loss) Before Tax		(12,409,895.89)	5,878,386
Less : Provision for Income Tax- Current		-	4,062,223
Less : Provision for Income Tax- Deferred		(486,821.64)	(200,102)
Profit/(Loss) after Tax		(11,923,074.25)	2,016,265
Add : Brought forward from Last year		59,119,270.52	51,777,345
Add : Provision for Bad & Doubtful Debts Written Back		5,369,548.00	6,501,338
Available for Appropriations		52,565,744.27	60,294,949
APPROPRIATIONS :			
Transfer to Reserve Fund		-	1,175,678
Income Tax Paid for earlier years		-	-
Balance Carried to Balance Sheet		52,565,744.27	59,119,271
		52,565,744.27	60,294,949
Earning Per Share (Rs.)		(1.10)	0.19

Significant accounting policies and notes to accounts 14

The accompanying notes and schedules form an integral part of the accounts

As per our separate report of even date
For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

On behalf of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

P. K. BHATIA
Partner
M.No. 81174

Rudra Sen Sindhu
Director

Kuldeep Singh Solanki
Director

Place : New Delhi
Dated: 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

YEAR ENDED 31ST MARCH, 2011

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
11000000 Equity Shares of Rs. 10/- each	110,000,000.00	110,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
10880000 Equity Shares of Rs. 10/- each fully paid up	108,800,000.00	108,800,000
TOTAL RS.	108,800,000.00	108,800,000
 SCHEDULE - 2		
RESERVES & SURPLUS		
GENERAL RESERVE		
Balance as per last year	7,191,579.00	7,191,579
RESERVE FUND		
Balance as per last year	36,972,316.00	35,796,638
Add: Transferred from P&L Appropriation Account	- 36,972,316.00	1,175,678
	36,972,316.00	36,972,316
PROFIT & LOSS APPROPRIATION ACCOUNT		
Balance as per Profit & Loss Appropriation A/c	52,565,744.27	59,119,270
SHARE PREMIUM ACCOUNT		
Balance as per last year	40,015,000.00	40,015,000
TOTAL RS.	136,744,639.27	143,298,165
 SCHEDULE - 3		
UNSECURED LOANS		
i) Inter Corporate Deposits	5,100,299.00	8,971,508
ii) Non-Convertible Debentures		
Application Money - Pending Allotment	3,764,000.00	3,794,000
TOTAL RS.	8,864,299.00	12,765,508

SAINIK FINANCE & INDUSTRIES LIMITED

SCHEDULE - 4

SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH, 2011

PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK		LEASE ADJUSTMENT BLOCK		NET BLOCK	
	As On 31/03/2010	Addition During the Year	Up to 31/03/2010	For the year	Up to 31/03/2010	For the year	Up to 31/03/2010	As On 31/03/2011
(A) FINANCE DIVISION								
ASSETS ON LEASE								
Other Equipments	5,300,000.00	-	4,896,206.32	80,759.00	-	4,976,965.32	(3,040,110.34)	3,443,904.02
OTHER ASSETS								
Vehicles	1,216,647.00	-	1,102,468.38	29,560.00	-	1,132,028.38	-	84,618.62
Office Equipments	1,473,315.00	-	1,249,575.91	38,587.00	185,268.00	1,102,894.91	-	184,420.09
Furniture & Fixture	534,066.22	-	481,501.93	9,514.00	-	491,015.93	-	43,050.29
Software	1,090,325.82	-	1,087,753.66	1,029.00	-	1,088,782.66	-	1,543.16
Total (Finance Div.)	9,614,354.04	-	8,817,506.20	159,449.00	185,268.00	8,791,687.20	(3,040,110.34)	3,757,536.18
(B) CEMENT DIVISION								
Land	1,341,059.75	-	-	-	-	-	-	1,341,059.75
Building	21,062,247.81	-	9,504,445.64	703,478.00	-	10,207,923.64	-	10,854,324.17
Plant & Machinery	66,186,311.98	16,000.00	32,992,157.55	3,144,541.00	-	36,136,698.55	-	30,065,613.43
Vehicles	2,038,469.50	-	1,023,173.58	230,552.00	-	1,253,725.58	-	784,743.92
Furniture & Fixture	1,241,684.35	8,550.00	976,834.27	79,060.00	-	1,055,894.27	-	194,340.08
Office Equipments	557,090.00	41,000.00	251,684.16	74,207.00	-	325,891.16	-	272,198.84
Total (Cement Div.)	92,426,863.39	65,550.00	44,748,295.20	4,231,838.00	-	48,980,133.20	-	43,512,280.19
(C) POLE DIVISION								
Plant & Machinery	11,917,369.00	29,800.00	3,104,139.44	1,350,024.00	-	4,454,163.44	-	7,493,005.56
Building	2,570,770.00	-	200,192.41	85,864.00	-	286,056.41	-	2,284,713.59
Office Equipments	37,587.30	-	14,205.84	6,093.00	-	20,298.84	-	17,288.46
Furniture & Fixture	163,514.86	-	24,131.26	10,350.00	-	34,481.26	-	129,033.60
Total (Cement Div.)	14,689,241.16	29,800.00	3,342,668.95	1,452,331.00	-	4,794,999.95	-	9,924,041.21
Current Year (A+B+C)	116,730,458.59	95,350.00	56,908,470.35	5,843,618.00	185,268.00	62,566,820.35	(3,040,110.34)	57,193,857.58
Previous Year	114,944,212	2,547,003	51,745,035	5,846,184	682,749	56,908,470	(2,939,162)	62,862,099

SAINIK FINANCE & INDUSTRIES LIMITED

YEAR ENDED 31ST MARCH, 2010

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SCHEDULE - 5		
INVESTMENTS (AT COST)		
LONG TERM INVESTMENT		
UNQUOTED		
Govt. Shares / Securities :		
Haryana Financial Corporation (250000 Equity Shares @ Rs.10/- each)	2,500,000.00	2,500,000
National Saving Certificate	5,000.00	5,000
Others :		
Sainik Mining And Allied Services Ltd. (Unlisted) (2451 Equity Shares of Face Value of Rs.10/- each)	65,956,410.00	65,956,410
TOTAL RS.	68,461,410.00	68,461,410

SCHEDULE - 6

CURRENT ASSETS, LOANS & ADVANCES

A. CURRENT ASSETS

i) Inventories

(As per Inventory prepared, valued & Certified by the management)

a) Finished Goods (At Cost or Market price whichever is lower)	4,395,509.11		3,400,558
b) Semi-Finished Goods (At Cost or Market price whichever is lower)	1,071,153.20		726,793
c) Raw Material (At Cost or Market price whichever is lower)	5,531,698.08		9,119,737
d) Packing Material (At Cost or Market price whichever is lower)	866,142.63		386,069
e) Fuel Oil & Lubricant (At Cost or Market price whichever is lower)	28,151.20		47,166
f) Spares & Stores (At Cost or Market price whichever is lower)	1,309,204.20		917,827
g) Shares (At Cost or Market price whichever is lower)	56,408.00		69,370
h) Stock on Hypothecation under Hypothecation Aggt.	7,913,775.00	14,028,366.00	
Less: Unmatured Hyp.Charges	930,882.74	6,982,892.26	1,953,845.44
		12,074,521	
i) Stock on Loan Syndication -Principal	306,884.31		258,593
	20,548,042.99		27,000,634

SAINIK FINANCE & INDUSTRIES LIMITED

YEAR ENDED 31ST MARCH, 2010

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)	
ii) Sundry Debtors			
a) Hire Money Receivable			
Outstanding for a period exceeding 6 month	135,500.00	135,500	
Other Debts	-	-	
	<u>135,500.00</u>	<u>135,500</u>	
Less: Unmatured Finance Charges (NPA)	<u>25,126.00</u>	<u>25,126</u>	110,374
b) Lease Rent Receivable			
Outstanding for a period exceeding 6 month	-	-	
Other Debts	-	-	
c) Hypothecation Money Receivable			
Outstanding for a period exceeding 6 month	1,955,112.00	1,801,629	
Other Debts	100,549.00	270,700	
	<u>2,055,661.00</u>	<u>2,072,329</u>	
Less: Unmatured Finance Charges (NPA)	<u>192,356.00</u>	<u>173,378</u>	1,898,951
d) Loan Syndication Receivable			
Outstanding for a period exceeding 6 month	1,407,595.00	3,549,408	
Other Debts	-	5,070,942	
	<u>1,407,595.00</u>	<u>8,620,350.00</u>	
Less: Unmatured Finance Charges(NPA)	<u>266,336.00</u>	<u>218,033.00</u>	8,402,317.00
e) Cement Division			
Outstanding for a period exceeding 6 month	3,164,871.75	2,760,139	
Other Debts	2,170,127.00	4,209,433	6,969,572
f) Pole Division			
Outstanding for a period exceeding 6 month	-	-	
Other Debts	3,565,777.00	4,114,775	4,114,775
	<u>3,565,777.00</u>	<u>4,114,775</u>	
	<u>12,015,713.75</u>	<u>21,495,989</u>	
iii) Cash & Bank Balances			
Cash Balance on hand (Including imprest with employees)	853,638.50		936,153
Bank Balances with scheduled banks			
In Current Accounts	11,914,768.37	25,049,251	
In Term Deposit	19,703,652.94	5,112,174	30,161,425
Cheques in hand			
	<u>3,295,479.00</u>		38,676,910
	<u>35,767,538.81</u>		69,774,487
TOTAL 'A'	<u>68,331,295.55</u>		<u>118,271,110</u>
B. LOANS AND ADVANCES (Unsecured Considered Good)			
i) Advances Recoverable in cash or in kind or for value to be received	71,414,515.36		38,008,357
ii) Trade Advances	37,944,613.00	37,872,775	
Less : Unmatured Interest	8,056,660.00	6,016,698	31,856,077
TOTAL 'B'	<u>101,302,468.36</u>		<u>69,864,434</u>
TOTAL 'A' + 'B'	<u>169,633,763.91</u>		<u>188,135,544</u>

SAINIK FINANCE & INDUSTRIES LIMITED

YEAR ENDED 31ST MARCH, 2011

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SCHEDULE - 7		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
i) Lease Security Deposit	1,500,000.00	1,500,000
ii) Security Deposit -Agency	80,000.00	80,000
iii) Sundry Creditors	6,988,006.22	6,052,934
iv) Expenses Payable	2,022,758.00	1,530,667
v) Advances from Customers	850,643.00	1,530,551
vi) Advance Payment for the portion for which value still to be given	2,181,395.00	1,898,772
TOTAL 'A'	13,622,802.22	12,592,924
B. PROVISIONS		
i) For Income Tax		
Assessment Year 2007-08	-	9,020,542
Assessment Year 2008-09	-	7,549,584
Assessment Year 2009-10	3,538,924.00	3,538,924
Assessment Year 2010-11	4,062,223.00	4,062,223
For Fringe Benefit Tax		
Assessment Year 2007-08	-	258,694
Assessment Year 2008-09	-	301,407
Assessment Year 2009-10	349,987.00	349,987
ii) For Non-performing Assets & Doubtful Debts (Pursuant to R.B.I. Norms)		
	8,113,558.00	5,369,548
iii) For Gratuity		
	2,211,001.00	2,083,127
TOTAL 'B'	18,275,693.00	32,534,036
TOTAL 'A' + 'B'	31,898,495.22	45,126,960

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YEAR ENDED 31ST MARCH, 2011

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SCHEDULE - 8		
SALES		
Sale of Cement & other receipts	70,227,756.00	112,908,361
Sale of PCC Poles	16,292,251.00	37,748,612
Sale of Scrap	273,289.00	392,935
TOTAL Rs.	86,793,296.00	151,049,908
 SCHEDULE - 9		
LEASE RENTALS		
Lease Rent	-	-
Less : Lease Equalisation Reserve	(80,759.00)	(100,949)
TOTAL Rs.	80,759.00	100,949
 SCHEDULE - 10		
INTEREST & FINANCE CHARGES		
Interest Income	9,744,208.99	7,469,815
Hypothecation Charges	1,758,852.00	2,243,759
Loan Syndication Charges	3,626,123.23	7,960,341
TOTAL Rs.	15,129,184.22	17,673,915
 SCHEDULE - 11		
OTHER INCOME		
Miscellaneous Receipts	192,550.70	855,956
Dividend Received	1,225.00	1,226
Profit on sale of Assets	1,368.00	-
TOTAL Rs.	195,143.70	857,182

SAINIK FINANCE & INDUSTRIES LIMITED

YEAR ENDED 31ST MARCH, 2011

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SCHEDULE - 12		
MANUFACTURING AND OTHER EXPENSES		
Raw Materials, Stores, Packing Material & Fuel, Oil & Lubricants Consumed		
Clinker		
Purchased during the year	2,122,668.12	2,868,322
Raw Materials Consumed		
Opening Stock	9,119,736.76	7,104,379
Add:Purchased during the year	51,887,385.54	82,911,848
	61,007,122.30	90,016,227
Less:Closing Stock	5,531,698.08	9,119,737
	55,475,424.22	80,896,490
Stores & Spares Consumed		
Opening Stock	917,827.19	703,779
Add:Purchased during the year	3,337,569.43	6,750,134
	4,255,396.62	7,453,913
Less:Closing Stock	1,309,204.20	917,827
	2,946,192.42	6,536,086
Packing Material Consumed		
Opening Stock	386,068.80	190,262
Add:Purchased during the year	3,788,204.00	5,062,464
	4,174,272.80	5,252,726
Less:Closing Stock	866,142.63	386,069
	3,308,130.17	4,866,657
Fuel, Oil & Lubricants		
Opening Stock	47,166.25	524,552
Add:Purchased during the year	1,458,470.00	2,334,782
	1,505,636.25	2,859,334
Less:Closing Stock	28,151.20	47,166
	1,477,485.05	2,812,167
Finished & Semi Finished Goods		
A. Opening Stock		
Finished Goods	3,400,558.20	5,259,970
Semi-Finished Goods	726,792.68	560,231
	4,127,350.88	5,820,201
Add : Purchased during the year	-	-
	4,127,350.88	5,820,201
B. Less : Closing Stock		
Finished Goods	4,395,509.11	3,400,558
Semi-Finished Goods	1,071,153.20	726,793
	5,466,662.31	4,127,351
(Increase)/Decrease in Stocks (A-B)	(1,339,311.43)	1,692,850
Shares & Units		
Opening Stock	69,370.00	43,330
Add : Purchased during the year	-	-
	69,370.00	43,330
Less : Sales During the year	-	-
Less : Closing Stock	56,408.00	69,370
	12,962.00	(26,040)
Other Manufacturing Expenses		
Factory Wages	7,977,034.00	8,510,062
Electricity & Water Charges	11,264,154.00	17,224,572
	83,244,738.55	125,381,166

SAINIK FINANCE & INDUSTRIES LIMITED

YEAR ENDED 31ST MARCH, 2011

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
SCHEDULE - 13		
ADMINISTRATIVE AND OTHER EXPENSES		
Salary, Wages and Other Benefits	6,930,962.00	10,582,702
Advertisement Expenses	324,862.00	323,246
Bank Charges	395,805.71	647,338
Staff Welfare	1,206,682.20	1,714,565
Repairs & Maintenance		
Plant & Machinery	633,987	891,916
Factory Building	398,011	644,332
Others	68,936	21,947
	1,100,934.00	1,558,195
Pollution Control Expenses	52,800.00	63,600
Vehicle Running & Maintenance	521,273.00	914,443
ISI / ISO Fee	157,511.00	141,163
Travelling & Conveyance	1,090,900.00	1,269,497
Rates Fees & Taxes	184,848.00	388,886
General Expenses	1,610,026.10	1,598,522
Insurance Charges	26,901.00	85,149
Freight & Cartage, Carriage outward	363,671.50	1,304,539
Commission, Rebate and Discounts	448,847.97	826,769
Donation	100,000.00	-
Legal & Professional Charges	152,948.00	220,828
Newspaper & periodicals	3,475.00	7,006
Auditor Remuneration	137,875.00	110,300
AGM Expenses	62,248.00	117,169
Printing & Stationery	397,142.98	544,232
Postage & Telegram	179,217.00	148,014
Telephone Expenses	263,717.00	570,728
Software Maintenance expenses	59,092.00	186,251
Rent Paid	180,000.00	180,000
Loss on sale of assets	-	32,008
Internal Audit Fees & Expenses	110,300.00	827,250
Diwali Expenses	192,664.00	216,969
Bad Debts Written Off	40,000.00	560,314
Provision for bad & doubtful debts (Pursuant to RBI Norms)	8,113,558.00	5,369,548
Provision for Gratuity	127,874.00	772
	24,536,135.26	30,510,003

* Donation given to Bharatiya Janata Party Vishesh Sahoyog Nidhi

SAINIK FINANCE & INDUSTRIES LIMITED

SCHEDULE - 14

CONTINGENT LIABILITIES & NOTES TO ACCOUNTS (Forming Part of Balance Sheet as at 31ST March, 2011)

A. Significant Accounting Policies.

Finance Division:

- 1) The fixed assets of the Company are valued at historical cost less depreciation and lease adjustment account.
- 2) The company has provided depreciation on fixed assets as per written down value method under the Companies (Amendment) Act, 1988. Further depreciation on additions & sales of fixed assets during the year has been provided on pro-rata basis.
- 3) Stock on Hire/Hypothecation/Loan Syndication Principal represents disbursed value of assets less capital repayments matured including un-matured finance/hypothecation/loan syndication charges thereon as per IRR. The un-matured finance/hypothecation/loan syndication charges are reduced from stock on hire/hypothecation/loan syndication to reflect the net principal outstanding.
- 4) Lease Rentals are accounted for on accrual basis and full months rental is considered as income irrespective of the date on which the lease rentals fall due during the month. Further the company accounts for income arising out of leasing activities on the method recommended by the Institute of Chartered Accountants of India. For assets leased up to 31st March 2001, the lease income is recognised at an Internal Rate of Return (IRR) on the principal amount outstanding at the due date of the lease rental. An annual lease equalisation charge is computed by deducting from lease rentals the income derived at IRR, which is then compared with depreciation provided. The difference is adjusted through lease equalisation in lease adjustment account. No assets have been leased after 1-4-2001 and therefore the mandatory provisions under Accounting standard (A 8-9) in respect of leased assets after 1-4-2001 do not apply.
- 5) Hire Purchase Finance Charges/ Hypothecation charges/ Loan Syndication Charges have been accounted for on instalment due basis based on Internal Rate of Return.
- 6) All Incomes and expenses have been accounted for on accrual basis. Overdue charges from hirers/lessees are accounted for on realisation.
- 7) Income Recognition, assets classification and provisioning in respect of Non- Performing Assets has been done in accordance with the Reserve Bank of India Directions, 1998 as amended upto 12th May, 1998. Income in respect of non performing assets has been considered on realisation basis.
- 8) Revenue is being recognised in accordance with the guidance note on Accrual Basis of accounting issued by the Institute of Chartered Accountants of India. Accordingly, if there are any uncertainties in the realisation of income, the same are not accounted for.
- 9) Closing Stock of Shares/Securities has been valued at cost or market price whichever is lower.

Cement & Pole Division:

- 1) The accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- 2) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- 3) Sales represent invoiced value of goods sold net of excise duty.
- 4) Depreciation on Fixed Assets has been provided in accordance with the rates prescribed under Straight Line Method & in the manner specified in Schedule XIV of the Companies Act., 1956.
- 5) Raw Material, Packing Materials, Stores and spares, Finished goods, Semi-finished goods & Stocks in process are valued at cost or market price whichever is lower .in accordance with valuation principles laid out in AS-2 issued by The Institute of Chartered Accountants of India.
- 6) Investments are stated at cost.

Others

- 1) Accounting for taxes on Income- Income Taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income"(AS-22) issued by the Institute of Chartered Accountants of India. Tax expenses comprise both current and deferred tax.

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- 2) Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. The carrying amount of deferred tax assets and liabilities are reviewed at each balance sheet date.
- 3) Contribution to Provident Fund is accounted for on accrual basis and charged to Profit and Loss Account.
- 4) Provision for Gratuity Payable has been made in accordance with the period of qualifying service put in by the each employee of the Company from the date of joining and upto the end of the financial year. The calculation is performed annually by an independent actuary.

B. Notes to Accounts

- 1) Claims against the company not acknowledged as debts - ₹ Nil. (Previous year - ₹ Nil)
- 2) Estimated amount of contracts remaining to be executed on capital account not provided for - NIL. (Previous Year - Rs.NIL)
- 3) Auditor's Remuneration :

Particulars	2010-2011	2009-2010
a) Audit Fees	50,000	30,000
b) Tax Audit Fees	20,000	15,000
c) Income Tax Representation Fees	55,000	55,000
d) Service tax	12,875	10,300
Total	1,37,875	1104,300

- 4) In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. Provision for Depreciation on Fixed Assets and other known liabilities has not been made in excess of the amount reasonably necessary.
- 5) The Company did not pay any remuneration to the directors during the financial year.
- 6) The Company has given a donation of Rs.1,00,000/- to Bhartiya Janata Party Vishesh Sahyog Nidhi during the financial year and complied with provision of section 293A of the Companies Act.1956.
- 7) None of the Employees of the Company was in receipt of remuneration exceeding Rs.5,00,000/- per month where employed for the part of the year or Rs.60,00,000/- per annum where employed throughout the year.
- 8) Upto the financial year ended 31.03.2010, the company has made provision for gratuity of Rs.20,83,127/- under the payment of Gratuity Act, 1972. The company has made provision of Rs.1,27,874/- for Gratuity in the financial year ended 31.03.2011.
- 9) Debit & credit balances of parties are subject to confirmation.
- 10) Previous year figures have been re-grouped/recast to make the same comparable with those of the current year. Paise have been rounded off to nearest Rupee in the Previous Year figures.
- 11) The company has made provision on Non Performing Assets in accordance with the RBI directives to the extent of Rs.81,13,558/- which has been debited to the Profit & Loss Account.
- 12) The company has made an investment of Rs.25,00,000 in the equity shares of M/s Haryana Financial Corporation(HFC). The said equity shares were forfeited by HFC and the company has filed an appeal against the same before the Hon'ble Company Law Board at New Delhi. The company law board has given directions for filing of a case before the appropriate court of law and the company has accordingly filed a case with Hon'ble Delhi High Court, which is pending for disposal.
- 13) **Deferred Tax** - In accordance with the Accounting standard (AS-22) relating to "Accounting for Taxes on Income", the company has recorded cumulative net deferred tax liability of Rs.94.68 lacs in respect of timing differences upto 1st April, 2010 as a reduction to General Reserves. Further, the deferred tax asset of the year amounting to Rs.4.87 lacs has been debited to the Profit & Loss Appropriation Account.

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The major component of deferred tax assets and liabilities as at 31st March, 2011 are as follows :

Deferred Tax Assets. (Rs.in lacs)

Total Nil

Deferred Tax Liabilities

Fixed Assets 89.82

Total Deferred Tax Liability – Net 89.82

- 14) Earning per share -
Earning per share has been computed as under :

Particulars	2010-11	2009-10
a) Profit after Taxation (Rs.Lakhs)	(119.23)	20.16
b) Number of equity shares outstanding	10880000	10880000
c) Earning per share (Face value Rs.10)	(1.10)	0.19

- 15) Segment Information -

Particulars	Cement	Pole	Finance	(Rs.in lacs) Consolidated
1. Segment Revenue				
External Sales	705.01	162.92	152.10	1020.03
Other Revenue	–	–	1.95	1.95
Total Revenue	705.01	162.92	154.05	1021.98
2. Segment Result -Profit/(Loss)				
Profit before interest & tax	(143.71)	(12.86)	42.31	(114.26)
Interest Paid	–	–	9.84	9.84
Provision for taxation	–	–	–	(4.87)
3. Profit after Taxation	(143.71)	(12.86)	32.47	119.23
Other information				
1. Segment Assets	918.62	262.55	1771.72	2952.89
2. Segment Liabilities	80.52	10.57	406.35	497.44
3. Depreciation	42.31	14.52	1.61	58.44
4. Non cash expenditure other than depreciation	–	–	82.82	82.82

- 16) Related party Disclosures –

1. Enterprises where control Exist :
 - Subsidiaries – Nil
 - Other Entities under control of company – Nil
2. Other related party with whom the company had transactions, etc.
 - i) Associates
 - a) Sainik Mining And Allied Services Ltd.
 - b) Kapil Construction Pvt.Ltd.
 - c) Indus Portfolio Pvt.Ltd.
 - d) Sindhu Trade Links Limited
 - e) Shyam Indus Power Solutions Pvt.Ltd.
 - f) Aryan Clean Goal Technologies Pvt.Ltd.
 - ii) Joint Venture – Nil
 - iii) Key Management Personnel
 - a) Capt. Kuldeep Singh Solanki

SAINIK FINANCE & INDUSTRIES LIMITED

3. Disclosure of transactions between the company and related parties as on 31st March, 2011.

Transaction	Associates	Key Management	(₹ in Lacs)
			Total
Purchase of Goods	0.25	–	0.25
Sale of Goods	98.59	0.18	139.31
Purchase of Fixed Assets	–	–	–
Sale of Fixed Assets	–	–	–
Rendering of Services	2.08	–	2.08
Service Received	–	–	–
Leasing/HP/Hypothecation arrangements Received	7.71	–	7.71
Share Application Money Given	198.00	–	198.00
Finance Provided	31.32	–	31.32
Finance Received	–	–	–
Interest Income	20.71	–	20.71
Interest Paid	–	–	–
Director Remuneration	–	–	–
Dividend Paid to shareholders	–	–	–

17) Schedule in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

Liabilities side:

(Rs. in lakhs)

1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures : Secured	Nil	Nil
: Unsecured	Nil	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-corporate loans and borrowing	51.00	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits*	Nil	Nil
(g) Other Loans	37.64	Nil
(Non Convertible Debenture-Application Money)		

* Please see Note 1 below

2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

* Please see Note 1 below

Assets side:

3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	Amount Outstanding
(a) Secured	298.88
(b) Unsecured	714.14

SAINIK FINANCE & INDUSTRIES LIMITED

4 Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities

(i)	Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		34.44
	(b) Operating lease		Nil
(ii)	Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		1.10
	(b) Repossessed Assets		Nil
(iii)	Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		88.45
(iv)	Loan Syndication Principal -activities		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		14.47

5 Break-up of Investments :

Current 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 (please specify)		Nil
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 (Please specify)		Nil

Long Term investments :

1.	Quoted :		
	(i) Share : (a) Equity		Nil
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others (Please specify)		Nil
2.	Unquoted :		
	(i) Shares : (a) Equity		684.61
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Others (Please specify)		Nil

SAINIK FINANCE & INDUSTRIES LIMITED

6 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

(Please see Note 2 below)

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	41.41	Nil	41.41
2. Other than related parties	919.95	Nil	919.95
Total	961.36	Nil	961.36

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **	
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	659.56	659.56
2. Other than related parties	25.05	25.05
Total	684.61	684.61

** As per Accounting Standard of ICAI (Please see Note 3)

8 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	237.86
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	154.46
(iii) Assets acquired in satisfaction of debt	Nil

- Notes :**
- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
 - Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
 - All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

18) Additional information in accordance with Part II of Schedule VI of Companies Act, 1956 :

Cement:

a) Licensed & Installed Capacity and Actual Production in MT :

Particulars	Licenced(MT)		Installed(MT)		Actual(MT)	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Portland Cement	66000	66000	66000	66000	23705.000	37611.900

SAINIK FINANCE & INDUSTRIES LIMITED

b) Quantitative Detail of Consumption of Raw Materials and packing material :

Particulars	Current Year		Previous Year	
	Quantity (MT)	Amount	Quantity (MT)	Amount
Lime Stone	26,369.355	11754805.70	42,741.594	18321157.56
Breeze Coke	3234.702	23869958.27	4642.912	25045977.26
Clay	3608.270	765999.64	6433.632	1796292.24
Iron Dust	1092.434	1922883.21	1059.503	926495.15
Gypsum	376.00	261296.80	590.768	296104.64
Laterite	371.625	515146.21	395.511	353623.44
AER (Additive)	0.205	10974.24	4.923	333098.98
Fly Ash	2578.414	2802852.94	4013.923	3226134.80
Packing Material (Nos)	474100	3308130.17	752238	4866657.30

c) Quantitative Detail of Finished & Semi-Finished Goods :

i) Opening & Closing Stocks :

Particulars	Opening Stock				Closing Stock			
	Quantity (MT)		Amount		Quantity (MT)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Finished								
C-Silo	163.781	0.756	250457.18	1395.06	202.886	163.781	428989.08	250457.18
Portland Cement	41.10	Nil	62600.23	Nil	0.100	41.100	193.81	62600.23
Semi-Finished								
Clinker	168.663	198.194	284988.18	359734.00	199.563	168.663	387739.79	284988.18
Raw Mix	218.000	207.899	191347.32	200496.58	225.00	218.000	254424.33	191347.32

ii) Sales :

Particulars	Quantity (MT)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Portland Cement	23746.000		37570.800	7,02,27,756
				11,29,08,361

Poles:

a) Licenced & Installed Capacity and Actual Production in Nos. :

Particulars	Licenced		Installed		Actual	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
PCC Poles	99000	99000	99000	99000	6332	16426

b) Quantitative Detail of Consumption of Raw Materials :

Particulars	Current Year		Previous Year	
	Quantity (MT)	Amount	Quantity (MT)	Amount
Cement	1076.845	3725089.21	2393.475	9394674.44
P.C Wire	174.687	6771575.60	401.297	14876780.45
Sand	1453.981	457053.30	3589.218	1284756.09
Rodi 10 mm	995.445	503799.74	2521.796	1313765.62
Rodi 20 mm	1483.229	798664.75	3624.079	1897642.08
Ad-Mixture	13.231	824525.29	15.443	662605.93
G.I.Wire	5.689	242160.79	12.860	546165.89
Hooks	7.581	248638.53	15.891	578359.56

SAINIK FINANCE & INDUSTRIES LIMITED

c) Quantitative Detail of Finished Goods :

i) Opening & Closing Stocks :

Particulars	Opening Stock				Closing Stock			
	Quantity (Nos.)		Amount		Quantity (Nos.)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Poles	1766	2479	3337957.90	5258578.75	1992	1766	4395315.30	3337957.92

ii) Sales :

Particulars	Quantity (Nos.)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Poles	6136	17139	16332968.85	3,77,48,612

d) C.I.F. Value of Imports & Expenditure in foreign currency :

Current Year – Nil

Previous Year – Nil

e) Quantitative detail of Shares/Stock

NAME OF SCRIPT	OPENING		PURCHASES		SALES		CLOSING STOCK			
	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	COST PRICE	MARKET RATE	COST OR MARKET PRICE WHICHEVER IS LESS
RANA MOHINDRA PAPER LTD.	1,300	3,900	-	-	-	-	1,300	39,917	3,900	3,900
BIRLA CENTURY FINANCE LTD.	500	4,950	-	-	-	-	500	30,662	4,950	4,950
CHINAR EXPORTS LTD.	300	3,600	-	-	-	-	300	15,846	3,600	3,600
HOTEL SHREE KRISHNA INTL.	600	1,140	-	-	-	-	600	13,410	1,140	1,140
HANSAFLON PLASTO CHEM. LTD.	100	110	-	-	-	-	100	4,368	110	110
NAHAR SUGAR & ALLIED IND. LTD.	100	2,405	-	-	-	-	100	7,511	2,405	2,405
PUNWIRE LTD.	200	14,080	-	-	-	-	200	20,213	14,080	14,080
THE TIMES GAURANTEE LTD.	100	10,845	-	-	-	-	100	73,716	4,005	4,005
OSWAL AGRO LTD	500	725	-	-	-	-	500	54,033	725	725
SOMDATT FINANCE CORP. LTD.	700	7,042	-	-	-	-	700	12,696	6,384	6,384
ARVIND PRODUCTS LTD.	100	503	-	-	-	-	100	6,445	584	584
NAMESTE EXPORTS LTD.	200	520	-	-	-	-	200	17,322	520	520
SHREE RAM URBAN INFRAS. LTD	100	19,550	-	-	-	-	100	47,559	14,005	14,005
	4,800	69,370	-	-	-	-	4,800	3,43,698	56,408	56,408

19) Schedule 1-14 are duly authenticated and form an integral part of the Balance Sheet as at 31st March, 2011.

As per our separate report of even date
For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

On behalf of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

P. K. BHATIA
Partner
M. No. 81174

Rudra Sen Sindhu
Director

Kuldeep Singh Solanki
Director

Place : New Delhi
Dated : 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I. Registration Details

Registration No.	L26912DL1991PLC045449	State Code	55
Balance Sheet Date	31.03.2011		

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Shares	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	263390	Total Assets	263390
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Sources of funds

Paid up Capital	108800	Reserve & Surplus	136744
Secured Loans	NIL	Unsecured Loans	8864
Deferred Tax Liability	8982		

Application of funds

Net Fixed Assets	57194	Investments	68461
Net Current Assets	137735	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	102198	Total Expenditure	114608
Profit before tax	(12409)	Profit after tax	(11923)
Earning per share (in Rs.)	(1.10)	Dividend rate %	Nil

V. Generic Names of Three principal products/services of company (As per monitory terms)

Cement :

Item Code No (ITC Code)	25.23.29.10
Product Description	CEMENT CLINKERS

Pole :

Item Code No (ITC Code)	68.69.60.00
Product Description	PCC POLES

Finance :

HIRE PURCHASE FINANCE, HYPOTHECATION, LEASE, LOAN SYNDICATION AND TRADING IN SHARES

As per our separate report of even date
For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

On behalf of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

P. K. BHATIA
Partner
M. No. 81174

Rudra Sen Sindhu
Director

Kuldeep Singh Solanki
Director

Place : New Delhi
Dated: 25th August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
(Rs.in lacs)		
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and interest and extraordinary items	26.99	79.45
Adjustments for :-		
Depreciation	58.44	58.46
Profit & Loss on sale of assets	0.01	(0.32)
Provision for bad & doubtful debts & Gratuity	82.41	53.70
Discarded assets written off	0.40	5.60
Investments	-	-
Interest/Dividend Income	-	-
Lease Equalisation Reserve	(0.81)	(1.01)
Operating profit before working capital changes	(113.47)	195.88
Adjustments for :-		
Trade and other Receivables	(219.58)	519.84
Inventories	64.53	8.94
Trade payables & other liabilities	36.92	(10.67)
Cash generated from operations		
Interest paid	(9.84)	(20.66)
Direct taxes paid	(58.68)	(42.81)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(300.11)	650.52
Extraordinary items	-	-
Net Cash from operating activities (A)	(300.11)	650.52
B) CASH FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(0.95)	(25.47)
Sale of fixed assets	0.01	0.78
Acquisitions of Companies	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities (B)	(0.94)	(24.69)

SAINIK FINANCE & INDUSTRIES LIMITED

	CURRENT YEAR FIGURES (₹)	PREVIOUS YEAR FIGURES (₹)
(Rs.in lacs)		
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue share capital	-	-
NCD Application Money	(0.30)	(6.85)
Repayment of finance lease liabilities	-	-
Secured Loan	-	-
Dividends & Tax on Dividend	-	-
Repayment of Public Deposits	-	-
Proceeds from Intercompany Deposits	(38.71)	(70.19)
Borrowing (Net)	-	-
Net cash used in financing activities (C)	(39.01)	(77.04)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(340.07)	548.79
Cash and cash equivalents as at 31.03.2010 (Opening Balance)	697.74	148.95
Cash and cash equivalents as at 31.03.2011 (Closing Balance)	357.68	697.74

As per our separate report of even date
For **KUMRA BHATIA & CO.**
Chartered Accountants
FR No. 002848N

On behalf of the Board of Directors
For **SAINIK FINANCE & INDUSTRIES LIMITED**

P. K. BHATIA
Partner
M. No. 81174

Rudra Sen Sindhu
Director

Kuldeep Singh Solanki
Director

Place : New Delhi
Dated : 25 August, 2011

To,

The Board of Directors
Sainik Finance & Industries Ltd.
New Delhi

We have examined the above cash flow statement of **M/s Sainik Finance & Industries Ltd.** for the year ended 31st March, 2011, the statement has been prepared by the company in accordance with the requirement of the listing agreement under Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

For **Kumra Bhatia & Co.**
Chartered Accountants
FR No. 002848N
(P. K. Bhatia)
Partner
M. No. 81174

Place : New Delhi
Dated : 25 August, 2011

SAINIK FINANCE & INDUSTRIES LIMITED

Registered Office : 129, Transport Centre, New Rohtak Road, Punjabi Bagh, New Delhi-110035
Phone No. : 011-28315036, Fax No. : 011-28315044

ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

* DP. Id.	
-----------	--

Regd. Folio No.	
-----------------	--

* Client Id.	
--------------	--

No. of shares held	
--------------------	--

Name and Address of the Shareholders

I hereby record my presence at the 19th Annual General Meeting of the Company held on Friday, the 30th September, 2011 at 9:30 a.m. at the Farm House of M/s Kapil Constructions Private Limited, Kishangarh- Mehrauli Road, Near Maa Anandmai Ashram, New Delhi-110 057

Signature of the shareholder/proxy

-----TEAR HERE-----

SAINIK FINANCE & INDUSTRIES LIMITED

Registered Office : 129, Transport Centre, New Rohtak Road, Punjabi Bagh, New Delhi-110035
Phone No. : 011-28315036, Fax No. : 011-28315044

PROXY FORM

* DP. Id.	
-----------	--

Regd. Folio No.	
-----------------	--

* Client Id.	
--------------	--

No. of shares held	
--------------------	--

I/We _____
of _____ being Member/s
of **Sainik Finance & Industries Limited** hereby appoint _____
of _____ or failing him _____
of _____ as my/our proxy to vote for me/us and on my/our behalf at the 18th
Annual General Meeting of the Company held at Farm House of M/s Kapil Constructions Private Limited, Kishangarh-
Mehrauli Road, Near Maa Anandmai Ashram, New Delhi-110 057 on Friday, the 30th September, 2011 at 9:30 a.m. or at
any adjournment thereof.

Affix a Re. 1/- Revenue Stamp
--

Notes :

1. The Proxy need not be a member of the Company.
2. The proxy form duly signed across revenue stamp should be deposited at the Registered Office of the Company at 129, Transport Centre, New Rohtak Road, Punjabi Bagh, New Delhi - 110035 not later than 48 hours before the time of the meeting.

* **Applicable for holders of shares in electronic form**