

# Sainik Finance & Industries Limited

CIN : L26912DL1991PLC045449 Website : www.sainikfinance.com

Regd. Office : 129 Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi-110035. Tel.: 011-28315036 Fax :011-28315044

Corp. Office : 7th Floor, Office Tower, Ambience Mall, NH-8, Gurugram-122002, Haryana (India), Tel : 0124-2719000, Fax : 0124-2719100

E-mail : info@sainik.org, legal.secretarial@sainikmining.com

Ref.No. ....

SFIL/BSE/2017-18-27

Dated .....

10/10/17

To,  
The Manager (Listing)  
BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street,  
Mumbai- 400 001

**Sub: Submission of Annual Report of the Company for the Financial Year ended on 31<sup>st</sup> March, 2017 under regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

**Ref: SAINIK FINANCE & INDUSTRIES LIMITED**

Sir,

In accordance with Regulation 34 of the Listing Regulations, please find attached the copy of Annual Report of the Company for the financial year 2016-17, which was approved and adopted by the members at their 25<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017.

Kindly take the same in you record.

Thanking you,

Yours Sincerely,

For Sainik Finance & Industries Limited

Jagdish Chandra  
(CFO)



Encl: As above



**25<sup>th</sup>**  
**Annual Report**  
**2016-2017**

**SAINIK FINANCE & INDUSTRIES LIMITED**

# SAINIK FINANCE & INDUSTRIES LIMITED

## Board of Directors

	DIN No.
Mr. Rudra Sen Sindhu	: 00006999
Mr. Kuldeep Singh Solanki	: 00009212
Mr. Samai Singh	: 00235036
Mrs. Renuka Hooda	: 03611979

## KEY MANAGERIAL PERSONNEL (KMP)

Mr. Kapil Sharma	: Chief Executive Officer
Mr. Jagdish Chandra	: Chief Financial Officer
Ms. Kunal Gupta	: Company Secretary

## Audit Committee

Mrs. Renuka Hooda  
Mr. Rudra Sen Sindhu  
Mr. Samai Singh

## NOMINATION AND REMUNERATION COMMITTEE

Mrs. Renuka Hooda  
Mr. Rudra Sen Sindhu  
Mr. Samai Singh

## STAKEHOLDER RELATIONSHIP COMMITTEE

Mrs. Renuka Hooda  
Mr. Rudra Sen Sindhu  
Mr. Samai Singh

## STATUTORY AUDITOR

M/s. Kumra Bhatia & Co.  
Chartered Accountants  
New Delhi

## SECRETARIAL AUDITORS

M/s S.S. Bhati & Associates  
Company Secretaries,  
New Delhi

## INTERNAL AUDITORS

M/s. Nagar Goel & Chawla  
Chartered Accountants,  
New Delhi

## REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Indus Portfolio Private Limited

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# SAINIK FINANCE & INDUSTRIES LIMITED

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## NOTICE

Notice is hereby given that the **25th Annual General Meeting** of the members of M/s Sainik Finance & Industries Limited will be held on **Thursday, the 28th day of September, 2017** at the Farm House of M/s Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi -110 070 at 9:30 a.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Annual Financial Statements of the Company for the financial year ended 31st March, 2017, including the audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kuldeep Singh Solanki, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration:

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

**"RESOLVED THAT** pursuant to Section 139, 141, 142, 143 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder as amended from time to time pursuant to the recommendations of the audit committee of the Board of Directors, M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) be and is hereby appointed as Statutory Auditors of the Company in place of M/s Kumra Bhatia & Co, Chartered Accountants, (bearing ICAI Registration No.002848N), retiring auditors of the Company, to hold office from the date of conclusion of the 25th AGM of the Company till the date of conclusion of 30th Annual General Meeting to be held for the financial year ending on 31st March 2022 subject to ratification of their appointment at every Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year 2017-18 as may be agreed upon between the auditors and the Board of Directors."

### **SPECIAL BUSINESS**

#### **4. Re-Appointment of Mr. Samai Singh as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Samai Singh (having DIN 00235036), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from 29th September, 2017 or date of ensuing Annual General meeting whichever is earlier."

#### **5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the shareholders/ members be and is hereby accorded to charge from the shareholders/ member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution."

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

Dated : 10th August, 2017  
Place : New Delhi

**Kuldeep Singh Solanki**  
Director

### **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than forty-eight hours before the meeting. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. Proxies submitted on behalf of the companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
4. The proxy form and attendance slip are annexed herewith.
5. Members/ proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the AGM.
6. The relevant details as required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of persons seeking appointment / re-appointment as Directors under item No. 2 and item no. 4 of the Notice are also annexed herewith.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Bank Holidays between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
8. The Register of Members and Transfer Books of the Company will be closed from Friday, 22nd September, 2017 to Thursday, 28th September, 2017, (both days inclusive) for the purpose of holding Annual General Meeting of the Company.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent - M/s Indus Portfolio Private Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the Company's Registrars and Transfer Agent for assistance in this regard.
11. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Indus Portfolio Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form. Members who wish to register their email ID can download the 'Green Initiative' form the Company's website viz. [www.sainikfinance.com](http://www.sainikfinance.com)
12. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ID's with their respective depository participants or with the Registrar and Share Transfer Agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [cs.anamika@indusinvest.com](mailto:cs.anamika@indusinvest.com) or [legal.secretarial@sainikmining.com](mailto:legal.secretarial@sainikmining.com) mentioning your Folio/ DP ID & Client ID.
13. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
14. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or the Company's Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
15. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
17. In compliance with the provisions of section 108 of the Company Act, 2013 and the Rules 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules 2015, and regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
18. In terms of requirements of Secretarial Standard - 2 on "General Meeting" issued by the Institute of Company Secretaries of India and approved and notified by Central Government of India, a route MAP for the location of the aforesaid General meeting is annexed herewith.
19. The instructions for e-voting are as under:
  - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company / Depositories):
    - i. Open the e-mail and also open PDF file namely "Sainik Finance e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

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- ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  - iii. Click on Shareholder - Login.
  - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  - viii. Select "EVEN" (E-Voting Event Number) of M/s Sainik Finance & Industries Limited. Now you are ready for e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [r.gulati64@gmail.com](mailto:r.gulati64@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories):
- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
  - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on Saturday, 23rd September, 2017 (9.00 a.m. IST) and ends on Wednesday, 27th September, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
  - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 22nd September, 2017.
  - iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 22nd September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Company/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990

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- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper. A person may participate in the AGM even after exercising his / her vote through remote e-voting but shall not be allowed to vote again at the AGM.
- v. Mr. Rajesh Gulati, Practicing Chartered Accountant (Membership No. 89046), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- vi. The Facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e- voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote e-voting may only cast their vote at the AGM through ballot paper.
- vii. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the results of the voting forthwith.
- ix. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Rajesh Gulati, Practicing Chartered Accountant, (Membership No. 89046), at the Registered Office of the Company not later than Wednesday, 27th September, 2017 (5.00 p.m. IST).
- x. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [legal.secretarial@sainikmining.com](mailto:legal.secretarial@sainikmining.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Wednesday, 27th September, 2017 (5.00 p.m. IST).
- xi. Ballot Form received after this date will be treated as invalid.
- xii. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- xiii. The results, along with the Scrutinizer's Report will be placed on the Company's website [www.sainikfinance.com](http://www.sainikfinance.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and communicated to the BSE Limited, where the shares of the Company are listed.

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

Place : New Delhi  
Dated : 10th August, 2017

**Kuldeep Singh Solanki**  
Director  
DIN: 00009212

**Rudra Sen Sindhu**  
Director  
DIN: 00006999



# SAINIK FINANCE & INDUSTRIES LIMITED

## ANNEXURE TO ITEMS 2 AND 4 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### **Item No. 2 and Item No. 4: Re-appointment of Mr. Kuldeep Singh Solanki and Mr. Samai Singh**

#### **Brief Profile of Mr. Kuldeep Singh Solanki and Mr. Samai Singh:**

<b>Name</b>	<b>Mr. Kuldeep Singh Solanki</b>		<b>Mr. Samai Singh</b>			
<b>DIN</b>	00009212		00235036			
<b>Age</b>	61 years		61 years			
<b>Date of Appointment</b>	27/03/1997		30.09.2014			
<b>Qualification</b>	He is ex-army person and has bachelor's degree in arts.		He is ex-army person and has bachelor's degree in arts.			
<b>Expertise in specific functional area</b>	After his Bachelor's degree he joined the Indian army. After serving the army for a period of five years he joined Sainik Transporters Private Limited in 1982. At present he is also interested as the director of several companies engaged in the business of coal mining, coal washing and related industries. He has approximately 32 years of experience in the coal sector, power & finance sector. Apart from the Company		He has experience in transport loading, mining, finance, stock broking etc.			
<b>Directorships held in other companies (except foreign companies)</b>	<ul style="list-style-type: none"> <li>• Sainik Mining and Allied Services Limited</li> <li>• Kalinga Coal Mining Private Limited</li> <li>• Maneesha Finlease Limited</li> <li>• Global Optical Private Limited</li> <li>• ACB (India) Limited</li> <li>• Sainik Coal Washery Private Limited</li> <li>• Aryan Clean Coal Technologies Private Limited</li> <li>• Global Coal And Mining Private Limited</li> <li>• Sainik Potash Private Limited</li> <li>• Aryan M.P. Power Generation Private Limited</li> <li>• Aryan Chhattisgarh Power Generation Private Ltd.</li> <li>• ACB (India) Power Limited</li> <li>• Thriveni Sainik Mining Private Limited</li> </ul>		<ul style="list-style-type: none"> <li>• Bhilwara Tex-Fin Limited</li> <li>• Khushi Coal Transport Private Limited</li> <li>• Guru Ratan Singh Ventures Private Limited</li> </ul>			
Memberships/ Chairmanships of committees of Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	<b>Committee</b>	<b>Chairman/ Member</b>	<b>Company</b>	<b>Committee</b>	<b>Chairman/ Member</b>	<b>Company</b>
	Stakeholder Relationship Committee	Chairman	ACB (India) Limited	Stakeholder Relationship Committee	Member	Sainik Finance & Industries Limited
				Audit Committee	Member	Sainik Finance & Industries Limited
Shareholding in the Company	17,86,653 Equity Shares		2,000 Equity Shares			
Relationship with any Director(s) of the Company	He is not related to any director or Key managerial personnel of the Company.		He is not related to any director or Key managerial personnel of the Company.			

### **Explanatory Statement as required pursuant to section 102 of the Companies Act, 2013:**

#### **Item No. 4:**

#### **Re-Appointment of Mr. Samai Singh as an Independent Director of the Company**

The Board informed that in order to comply with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the Company has appointed 2 independent directors in

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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Company namely i.e. Smt. Renuka Hooda and Mr. Samai Singh. First term of Mr. Samai Singh as independent director will expire 29th September, 2017. An independent director who shall hold office for a term up to five consecutive years on the Board of a Company shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. However, no independent director shall hold office for more than two consecutive terms but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. The provision of retirement by rotation as defined in the sub-section (6) and (7) of section 152 of the Companies Act 2013 shall not apply to such independent directors.

The Nomination and Remuneration Committee, on the basis of the report of performance evaluation of Independent Directors has recommended reappointed of Mr. Samai Singh for second terms of 5 years. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by Mr. Samai Singh during their tenure, the continued association of Mr. Samai Singh. He is art graduate. He is retired officer of India Army and has in depth knowledge in investment & finance business, in transport, loading, mining, finance, stock broking,

Therefore, Mr. Samai Singh, Independent Director of the Company who was appointed as non -executive independent director and whose term will expire on 29th September, 2017 shall be reappointed as independent directors under the provisions of the Companies Act, 2013. He being eligible has offered himself to be appointed as independent director of the Company for second term of 5 years under the provisions of the Companies Act 2013. He has given declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from one of the members signifying his intention to propose his appointment as an Independent Director of the Company.

The Board of Directors is also of the opinion that Mr. Samai Singh fulfils all the conditions specified in the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015 and is recommended to appoint him as a Independent Director of the Company.

### **Item No. 5:**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 6 of the accompanying Notice for members' approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

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

**Place: New Delhi**  
**Dated: 10th August, 2017**

**Kuldeep Singh Solanki**  
Director  
DIN: 00009212

**Rudra Sen Sindhu**  
Director  
DIN: 00006999

# SAINIK FINANCE & INDUSTRIES LIMITED

## DIRECTORS' REPORT

The members,  
**Ladies and Gentlemen,**

Your directors have pleasure in presenting their 25th Annual Report and the Audited Statement of Accounts for the year ended on 31st March, 2017

### 1. FINANCIAL RESULTS

(Amount in Rs.)

Particulars	For the financial year 2016-17	For financial year 2015-16
<b>Net sales and other Income</b>	<b>99,928,731</b>	<b>93,507,850</b>
<b>Profit before financial costs, depreciation, and Tax</b>	<b>77,013,263</b>	<b>75,581,114</b>
Finance Costs	50,610,072	48,593,564
<b>Profit before depreciation and tax</b>	<b>26,403,191</b>	<b>26,987,550</b>
Depreciation for the financial year	93,154	110,295
<b>Profit/(Loss) before tax</b>	<b>26,310,037</b>	<b>26,877,255</b>
Direct Taxes	13,886,135	11,857,750
<b>Profit / (Loss) after Tax</b>	<b>12,423,902</b>	<b>15,019,505</b>
Transfer to Reserve Fund	5,262,007	5,375,451

In order to comply with the provisions of Reserve Bank of India Act, 1934 the Company has transferred Rs.5,262,007/- (Rupees Fifty Two Lakhs Sixty Two Thousand Four Hundred and Seven only) to Special Reserve Funds and has also made provision of Rs.6,362,692/- (Rupees Sixty Three Lakhs Sixty Two Thousand Six Hundred and Ninety Two only) for Sub Standard Assets and a provision of Rs.6,570,569/- (Rupees Sixty Five Lakhs Seventy Thousand Five Hundred and Sixty Nine only) for Standard Assets during the year under review.

Except as mentioned above, no amount was proposed to transfer to any reserve by the Company during the year under review.

### 2. OPERATIONS OF THE COMPANY

During the year under review, the Company was engaged in carrying on the business as Non- Banking Financial Company without accepting public deposits for which the Certificate of Registration has been obtained from the Department of Non- Banking Supervision, Reserve Bank of India, New Delhi. Your directors also intend to diversify its operation into another area / business in order to make the Company more profitable.

### 3. PERFORMANCE REVIEW

During the year under review, the Company's total income has increased to Rs. 9,99,28,731/- ( Rupees Nine Crore Ninety Nine Lacs Twenty Eight Thousand Seven Hundred and Thirty One only) as compared to Rs. 9,35,07,850/- (Rupees Nine Crore Thirty Five Lakhs Seven Thousand Eight Hundred and Fifty only) in the previous year and the Company earned a profit before tax of Rs.2,63,10,037/- ( Rupees Two Crore Sixty Three Lakhs Ten Thousand and Thirty Seven only) as compared to Rs. 2,68,77,255/- (Rupees Two Crore Sixty Eight Lacs Seventy Seven Thousands Two Hundred Fifty Five only) in the previous year.

### 4. DIVIDEND

Your directors do not recommend any dividend for payment to the shareholders/ members of the company for the financial year ended on 31st March, 2017.

# SAINIK FINANCE & INDUSTRIES LIMITED

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## 5. DIRECTORS OF THE COMPANY

Pursuant to the provisions of section 149 of the Act, Mr. Samai Singh and Ms. Renuka Hooda are independent directors of the Company. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

During the year under review, Rahul Rameshkumar Jain has been appointed as Non-executive Director on the Board of the Company w.e.f. 27th January, 2017 and he has tendered his resignation from the Board due to his preoccupation w.e.f. 25th April, 2017.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Mr. Kuldeep Singh Solanki, Director of the Company retires by rotation and being eligible, has offered himself for re-appointment. Your directors recommend his re-appointment as director of the Company.

Term of office Mr. Samai Singh, Independent Director of the Company who was appointed as non-executive independent director will expire on 29th September, 2017. Mr. Samai Singh being eligible has offered himself to be appointed as independent director of the Company for second term of 5 years under the provisions of the Companies Act 2013. He has given declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

As required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information on the particulars of the Directors proposed for appointment / re-appointment has been given in the Notice of the Annual General Meeting

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of directors, senior management and to fix their remuneration. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as Annexure to this report. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Rules are available at the registered office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request.

### **Meetings**

During the year under review, (7) Seven Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between two board meetings was within the period prescribed under the Companies Act, 2013.

## 6. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are - Mr. Kapil Sharma, Chief Executive Officer, Mr. Jagdish Chandra, Chief Financial Officer and Mr. Kunal Gupta Company Secretary of the Company.

## 7. DEMATERIALISATION OF SHARES:

74.43% of the Company's paid up equity share capital is in dematerialized form as on 31st March, 2017 and balance 25.57% is in physical form. The Company's Registrars & Transfer Agent is M/s Indus Portfolio Private Limited, having their communication office at G-65, Bali Nagar, New Delhi- 110015.

# **SAINIK FINANCE & INDUSTRIES LIMITED**

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## **8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

## **9. DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the Financial Statement for the financial year ended on 31st March, 2017 and state:

- i) That in the preparation of Annual Accounts for the financial year ended as at 31st March, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to the material departures.
- ii) 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, 2017 and of the profit and loss of the Company for the financial year ended on 31st March, 2017.
- iii) 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.
- iv) That the Directors have prepared the Annual Accounts on a Going Concern basis.
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2016-17.

## **10. PUBLIC DEPOSITS**

The Company has not invited or accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder 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 in writing.

## **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company, being a non-banking finance company registered with the Reserve Bank of India and engaged in the business of giving loans or finance & investment activities, is exempt from complying with the provisions of section 186 of the Companies Act, 2013. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been given in this Report.

## **12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of internal control geared towards achieving efficiency in its operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The Company has an Internal Control System, commensurate with the size, scale and complexity of its

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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operations. Testing of such Internal Control measures and systems forms a part of Internal Audit function. The Internal Auditors of the Company conduct audits of various departments based on an annual audit plan covering key areas of operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Audit Committee of the Board of Directors reviews the adequacy of internal controls. This has improved the management of the affairs of the Company and strengthened transparency and accountability. The Management ensures adherence to all internal control policies and procedures as well as compliance with regulatory guidelines. No significant audit observations and recommendations have been received from the Internal Auditors of the Company.

### **13. AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT**

The Company has, at its meeting held on 11th August, 2016 appointed M/s S.S. Bhati & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year 2016 -17 in terms of provisions of section 204 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Report of the secretarial auditor for the financial 2017 is given as an annexure as Annexure - "A" which forms part of this report.

Further the statutory auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks.

### **14. AUDITORS**

#### **a) Statutory Auditors:**

Pursuant to the provision of section 139(2), of the Companies Act, 2013 read with the rules made thereunder, no listed Company shall appoint or re-appoint an audit firm as auditors for more than two terms of five consecutive years. Any audit firm has been functioning for than 10 or more years in the Company as statutory auditors of the Company, such audit firm can be appointed as auditors in same Company for a further period of three financial years only. M/s Kumra Bhatia & Co., Chartered Accountants has been functioning for more than 10 years in the Company and they had been appointed as Auditors for a period of three years by the members/ shareholders at their Annual General Meeting held on 30th September, 2014. Their term will expire on date of conclusion of the ensuing Annual General Meeting.

Therefore, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) shall be appointed as Statutory Auditors of the Company in place of M/s Kumra Bhatia & Co, Chartered Accountants, (bearing ICAI Registration No.002848N), retiring auditors of the Company, to hold office from the date of conclusion of the 25th AGM of the Company till the date of conclusion of 30th Annual General Meeting to be held for the financial year ending on 31st March 2022 subject to ratification of their appointment at every Annual General Meeting of the Company.

The Company has obtained a written consent from M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N), Chartered Accountants, New Delhi for their appointment and also a obtained certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable

#### **b) Secretarial Auditors:**

Pursuant provisions of section 204 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has, at its meeting held on 10th August, 2017 appointed M/s S.S. Bhati & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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### **15. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B"

### **16. CORPORATE GOVERNANCE REPORT**

The Company is committed to good Corporate Governance as the requirement of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance together with Auditor's Certificate on compliance of conditions of Corporate Governance is annexed herewith as "Annexure - C" and is forming integral part of this Report.

### **17. RELATED PARTY TRANSACTIONS**

The main business of the Company is financing & investment in shares etc. and granting loans to related or unrelated parties. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit committee for their consideration and approval. None of the transactions with related parties falls under the scope of section 188(1) of the Act. However, the related party transaction so entered are disclosed in note no 29 of Financial Statement of the Company as attached herewith

The Policy relating to related party transactions duly approved by the Board of Directors of the Company has been placed on the Company's website [www.sainikfinance.com](http://www.sainikfinance.com)

### **18. CODE OF CONDUCT:**

The Board of directors has approved a Code of Conduct which is applicable to the members of the Board and all employees in the course of day to day business operations of the Company. The Code has been placed on the Company's website [www.sainikfinance.com](http://www.sainikfinance.com)

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

### **19. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with the rules made thereunder and pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company has established a Vigil Mechanism to be known as the 'Whistle Blower Policy' for its Directors and Employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of Whistle Blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, Vigil Mechanism / Whistle Blower Policy have been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Officer or the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

During the financial year 2016-17, no such complaint of unethical or improper activity has been received by the Company.

### **20. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

### **21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are as follows:

#### **Conservation of Energy**

Your Company carries out its business in an environmental friendly manner and is on the look-out for different ways and means to reduce the consumption of energy in its business activity.

#### **Technology Absorption, Adaption and Innovation**

The Company continues to use the latest technologies for improving quality of its services. The Company's business do not require significant import of technology.

#### **Foreign Exchange Earnings and Outgo**

There was no foreign exchange earnings and outgo in the Company during the financial year.

### **22. MATERIAL CHANGES AND COMMITMENTS, IF ANY**

There was no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;

### **23. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year under review, provision of section 135 and Schedule VII of the Companies Act, 2013 pertaining to Corporate Social Responsibility are not applicable to our Company. Hence, details of expenditure of CSR Committee are not being furnished.

### **24. LISTING OF SECURITIES**

Presently, the Securities of the Company are listed on Bombay Stock Exchange Limited, Mumbai. The listing fee for the financial year 2017-18 has been paid.

### **25. 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 : 10th August, 2017

**Kuldeep Singh Solanki**  
Director  
DIN: 00009212

**Rudra Sen Sindhu**  
Director  
DIN: 00006999



# SAINIK FINANCE & INDUSTRIES LIMITED

## ANNEXURE-TO DIRECTOR REPORT

### Details of Ratio of Remuneration of Director [Section 197(12), r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of the Director</b> N.A.	<b>Ratio to the median</b> N.A.
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name of Director</b> <b>/CS/CFO</b>	<b>% increase</b>
	Jagdish Chandra, CFO	8%
	Kapil Sharma , CEO	8%
	Kunal Gupta, CS	-
The percentage increase in the median remuneration of employees in the financial year;	10%	
The number of permanent employees on the rolls of Company;	6	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average % increase is 8% for all employees based on the fixed and variable components. The increase in the percentile of managerial personnel is 8% which is slightly less than other employees.	
Affirmation that the remuneration is as per the remuneration policy of the company.	Yes; the remuneration is as per the remuneration policy of the company.	

# **SAINIK FINANCE & INDUSTRIES LIMITED**

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**ANNEXURE-A**

## **SECRETARIAL AUDIT REPORT**

### **FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**

The Board of Directors,

**SAINIK FINANCE & INDUSTRIES LIMITED**

CIN-I26912DL1991PLC045449

129, Transport Centre,

Rohtak Road, Punjabi Bagh, Delhi-110035

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAINIK FINANCE & INDUSTRIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

- a) Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d) Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- e) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion , the Company has , during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of;

- I) The Companies Act, 2013 ("the Act") and the rules made there under as amended from time to time and the Companies Act, 1956 which are still in force;
- II) The Securities Contracts ( Regulation) Act, 1956(SCRA) and the rules made there under;
- III) The Depositories Act, 1996 and the regulations and bye-law framed hereunder;

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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- IV) Foreign Exchange Management Act, 1999 (FEMA) & the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and External commercial Borrowings (No event took place under this act during the audit period).
- V) The following regulations and guidelines prescribed under the Securities and Exchange Board of India , 1992 ( 'SEBI Act') and as amended from time to time;
- (a) The Securities and Exchange Board of India( Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(No event took place under these regulations during the audit period).
  - (d) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(No event took place under these regulations during the audit period).
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(No event took place under these regulations during the audit period).
  - (g) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents ) Regulations, 1993;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(No event took place under these regulations during the audit period).
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (No event took place these regulations during the audit period).
- VI) The Company has identified the following laws as applicable to the Company:
- i) The Employees' Provident Fund and Miscellaneous Provision Act, 1952
  - ii) Industrial Dispute Act, 1947,
  - iii) The Payment of Wages Act, 1936,
  - iv) The Payment of Minimum Wages Act, 1948
  - v) The Payment of Bonus Act, 1965,
  - vi) The Payment of Gratuity Act, 1972
  - vii) The Maternity Benefits Act, 1961
  - viii) The Income Tax Act, 1961
  - ix) The Finance Act, 1994 and rules made thereunder.

We have also examined compliance with the applicable clauses of the following;

- I. The Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India is applicable to the Company during the audit report.
- II. The Listing Agreements entered into by the Company with BSE Limited, a Stock Exchange in compliance of the provisions of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations / guidelines/circulars as may be issued by SEBI from time to time.
- III. Reserve Bank of India Act, 1934,

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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#### IV. Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015,

During the period under review and as per the explanations, clarifications, representations made by the management to me, we report that, the Company has substantially complied with the provisions of the Act, rules, regulations, guidelines and standards etc. that are applicable to the Company.

We further report that compliance of applicable financial laws including direct and indirect tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by Statutory Auditor and other designated professionals.

We further report that, the Company has made Postal Ballot procedure under the Companies Act, 2013 and duly complied with the provisions of the Section 108 (Voting through the electronic means) of the Companies Act, 2013 and the rules made there.

We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government etc.;
- c) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) Notice of Board Meetings and Committee Meetings of Directors;
- e) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- f) The Annual General Meeting during the period was held on 30th September, 2016;
- g) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- h) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- i) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including KMPs;
- j) Payment of remuneration to Directors including KMPs,
- k) Appointment and remuneration of Auditors;
- l) Transfers and transmissions of the Company's shares;
- m) Investment of the Company's funds including investments and loans to others;
- n) Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedules to the Act;
- o) Directors' report;
- p) Contracts, common seal, registered office and publication of name of the Company; and
- q) Generally, all other applicable provisions of the Act and the Rules made under the Act.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meetings duly recorded and signed by the Chairman, decisions at Board meetings and Committee meetings are carried unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and no dissenting views have been made by any Directors or member of Committees.
- The Company has obtained all necessary approvals under the various provisions of the Act, and
- There were no prosecution initiated and no fines or penalties imposed during the year under review

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

As explained by the management, the Company has made related party transaction on ordinary course of business which is on arm's length basis as decided by the Audit Committee in their meeting during the financial year.

With the reference to the compliance of Industry specific acts, the Company is a Loan Company which is engaged in non-banking financial services and does not accept any public deposits, therefore, the company need to ensure the compliances relevant provision and process of RBI act and other applicable acts on periodically basis. In this regard, we have relied upon management representation issued to us and compliance certificates placed before the Board of Directors and also reports of statutory and internal auditors of the Company. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.

During the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred above.

**For: S S BHATI & ASSOCIATES  
(COMPANY SECRETARIES)**

**DATE: 10/08/2017**

**PLACE: DELHI**

**Satyapal Singh Bhati  
(Proprietor)  
FCS NO. 8252  
CP NO. 9387**

# SAINIK FINANCE & INDUSTRIES LIMITED

**ANNEXURE-B**

**Form No.MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2017**

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION & OTHER DETAILS:

CIN:	:	L26912DL1991PLC045449
Registration Date	:	22/08/1991
Name of the Company	:	<b>Sainik Finance &amp; Industries Limited</b>
Category / Sub-Category of the Company	:	Company limited Shares
Address of the Registered office and contact details	:	129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi -110035
Whether listed company		Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Indus Portfolio Private Limited G- 65, Bali Nagar, New Delhi 110015 Contact No: 91-11-47671200 Fax No: 91-11- 25449863

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Interest Income	-	99.96%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of share held	Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

# SAINIK FINANCE & INDUSTRIES LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	5668742	4200	5672942	52.14	6201724	4200	6205924	57.04	4.9
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	5668742	4200	5672942	52.14	6201724	4200	6205924	57.04	4.9
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>5668742</b>	<b>4200</b>	<b>5672942</b>	<b>52.14</b>	<b>6201724</b>	<b>4200</b>	<b>6205924</b>	<b>57.04</b>	<b>4.9</b>
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
<b>a) Bodies Corp.</b>									
(i) Indian	1984336	1479788	3464124	31.84	1483801	1479788	2963589	27.24	(4.60)
(ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	306530	1109525	1416055	13.02	279940	1107764	1387704	12.75	(0.27)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	131648	158000	289648	2.66	129847	158000	287847	2.66	NIL
<b>c) Others(Specify)</b>									
i) Non-Resident Indian	889	33617	34506	0.32	889	32117	33006	0.33	0.02
ii) Clearing Member	36	-	36	0.00	-	-	-	0.00	negligible
iii) Clearing House	2689	-	2689	0.02	1930	-	1930	0.02	NIL
<b>Sub-total(B)(2)</b>	<b>2426128</b>	<b>2780930</b>	<b>5207058</b>	<b>47.86</b>	<b>1896407</b>	<b>2777669</b>	<b>4674076</b>	<b>42.96</b>	<b>(4.9)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>2426128</b>	<b>2780930</b>	<b>5207058</b>	<b>47.86</b>	<b>1896407</b>	<b>2777669</b>	<b>4674076</b>	<b>42.96</b>	<b>(4.9)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>8094870</b>	<b>2785130</b>	<b>10880000</b>	<b>100%</b>	<b>8098131</b>	<b>2781869</b>	<b>10880000</b>	<b>100%</b>	-

## SAINIK FINANCE & INDUSTRIES LIMITED

### (ii) Shareholding of Promoter

S N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kuldeep Singh Solanki	1527430	14.04	N.A.	1786653	16.42	N.A.	2.38
2	Rudra Sen Sindhu	358283	3.29	N.A.	617506	5.68	N.A.	2.39
3	Yuvraj Singh Solanki	432833	3.98	N.A.	432833	3.98	N.A.	-
4	Indu Solanki	337833	3.11	N.A.	337833	3.11	N.A.	-
5	Sarvesh Sindhu	248866	2.29	N.A.	248866	2.29	N.A.	-
6	Vir Sen Sindhu (HUF)	247066	2.27	N.A.	247066	2.27	N.A.	-
7	Vrit Pal Sindhu	206200	1.90	N.A.	206200	1.90	N.A.	-
8	Sumati Sindhu	194333	1.79	N.A.	194333	1.79	N.A.	-
9	Kuldeep Singh Solanki (HUF)	172800	1.59	N.A.	172800	1.59	N.A.	-
10	Abhimanyu Sindhu	175166	1.61	N.A.	175166	1.61	N.A.	-
11	Surabhi Sindhu	149933	1.38	N.A.	149933	1.38	N.A.	-
12	Parmeshwari Devi	456532	4.20	N.A.	456532	4.20	N.A.	-
13	Manisha Solanki	117800	1.08	N.A.	117800	1.08	N.A.	-
14	Col. Girdhari Singh (HUF)	109400	1.01	N.A.	109400	1.01	N.A.	-
15	Vir Sen Sindhu	102198	0.94	N.A.	102198	0.94	N.A.	-
16	Sweta Sindhu	96565	0.89	N.A.	96565	0.89	N.A.	-
17	Rudra Sen Sindhu (HUF)	89600	0.82	N.A.	89600	0.82	N.A.	-
18	Saroj Sindhu	87033	0.80	N.A.	101569	0.93	N.A.	0.13
19	Rajshree Rathore	64000	0.59	N.A.	64000	0.59	N.A.	-
20	Asha Rathore	75200	0.69	N.A.	75200	0.69	N.A.	-
21	Shahista Sindhu	58600	0.54	N.A.	58600	0.54	N.A.	-
22	Somvir Sindhu	52000	0.48	N.A.	52000	0.48	N.A.	-
23	Rachna Sindhu	51900	0.48	N.A.	51900	0.48	N.A.	-
24	Satya Pal Sindhu	45000	0.41	N.A.	45000	0.41	N.A.	-
25	Saurabh Sindhu	41666	0.38	N.A.	41666	0.38	N.A.	-
26	Usha Sindhu	52675	0.48	N.A.	52675	0.48	N.A.	-
27	Dev Suman Sindhu	40000	0.37	N.A.	40000	0.37	N.A.	-
28	Shashi Sindhu	18466	0.17	N.A.	18466	0.17	N.A.	-
29	Vrit Pal Sindhu (HUF)	13166	0.12	N.A.	13166	0.12	N.A.	-
30	Ekta Sindhu	5000	0.05	N.A.	5000	0.05	N.A.	-
31	Anika Sindhu	500	0.00	N.A.	500	0.00	N.A.	-
32	Rajbir Singh	4665	0.04	N.A.	4665	0.04	N.A.	-
33	Niranjan Singh	4200	0.04	N.A.	4200	0.04	N.A.	-
34	Madhu Singh	36033	0.33	N.A.	36033	0.33	N.A.	-
	<b>Total</b>	<b>5672942</b>	<b>52.14</b>	<b>N.A.</b>	<b>6205924</b>	<b>57.04</b>	<b>N.A.</b>	<b>4.90</b>



## SAINIK FINANCE & INDUSTRIES LIMITED

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

S N.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
	At the beginning of the year	5672942	52.14	5672942	52.14
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	25/07/2016	4633	0.05	5677575	52.19
	22/08/2016	13333	0.12	5690908	52.31
	20/02/2017	8997	0.08	5699905	52.39
	14/03/2017	5317	0.05	5705222	52.44
	24/03/2017	222	0.00	5705444	52.44
	23/03/2017	500480	4.60	6205924	57.04
	At the End of the year	6205924	57.04	-	-

### Reason of Change in Shareholding#

Sl. No	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the Beginning (01-04-16 / end of the Year (31-03-17))	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Kuldeep Singh Solanki	1527430	14.04	01/04/2016	-	-	1527430	14.04
		2317	0.02	25/07/2016	Increase	Purchase	1529747	14.06
		6666	0.06	22/08/2016	Increase	Purchase	1536413	14.12
		250240	2.30	23/03/2017	Increase	Purchase	1786653	16.42
		1786653	16.42	31/03/2017	-	-	1786653	16.42
	Rudra Sen Sindhu	358283	3.29	01/04/2016	-	-	358283	3.29
		2316	0.02	25/07/2016	Increase	Purchase	360599	3.31
		6667	0.06	22/08/2016	Increase	Purchase	367266	3.37
		250240	2.30	23/03/2017	Increase	Purchase	617506	5.68
		617506	5.68	31/03/2017	-	-	617506	5.68
	Saroj Sindhu	87033	0.80	01/04/2016	-	-	87033	0.80
		8997	0.08	20/02/2017	Increase	Purchase	96030	0.88
		5317	0.05	14/03/2017	Increase	Purchase	101347	0.93
		222	0.00	24/03/2017	Increase	Purchase	101569	0.93
		101569	0.93	31/03/2017	-	-	101569	0.93

## SAINIK FINANCE & INDUSTRIES LIMITED

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S N.	For each of Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
	At the beginning of the year	3497230	32.15	3497230	32.15
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):#	(500469)	(4.61)	2996761	27.54
	At the End of the year(or on the date of separation, if separated during the year)	2996761	27.54	2996761	27.54

**Reason of Change in Top Ten Public Shareholding #**

Sl. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the Beginning (01-04-16 / end of the Year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Sindhu Trade Links Limited	1173565	10.79	01-04-2016	-	-	1173565	10.79
		-	-	-	-	-	-	-
		1173565	10.79	31-03-2017	-	-	1173565	10.79
2.	Maneesha Finlease Limited	1046159	9.62	01-04-2016	-	-	1046159	9.62
		-	-	-	-	-	-	-
		1046159	9.62	31-03-2017	-	-	1046159	9.62
3	Sainik Mining And Allied Services Limited	853666	7.85	01-04-2016	-	-	853666	7.85
		(500480)	(4.6)	-	Decrease	Transfer/ Sale	(500480)	(4.6)
		353186	3.25	31-03-2017	-	-	353186	3.25
4	Sindhu Farms Private Limited	111666	1.03	01-04-2016	-	-	111666	1.03
		-	-	-	-	-	-	-
		111666	1.03	31-03-2017	-	-	111666	1.03
5	Sanjay Kumar Sarawagi	59158	0.54	01-04-2016	-	-	59158	0.54
		-	-	-	-	Purchase	11	0.00
		59169	0.54	31-03-2017	-	-	59169	0.54
6.	Ex - Serviceman Vir Transport Pvt. Limited	61866	0.57	01-04-2016	-	-	61866	0.57
		-	-	-	-	-	-	-
		61866	0.57	31-03-2017	-	-	61866	0.57
7.	Ex -Serviceman Abhimanyu Transport Pvt. Limited	61866	0.57	01-04-2016	-	-	61866	0.57
		-	-	-	-	-	-	-
		61866	0.57	31-03-2017	-	-	61866	0.57
8.	Yaspal Saharan	49200	0.45	01-04-2016	-	-	49200	0.45
		-	-	-	-	-	-	-
		49200	0.45	31-03-2017	-	-	49200	0.45
9	Master Trust Limited	41684	0.38	01-04-2016	-	-	41684	0.38
		-	-	-	-	-	-	-
		41684	0.38	31-03-2017	-	-	41684	0.38
10	Talqeen Qureshi	38400	0.35	01-04-2016	-	-	38400	0.35
		-	-	-	-	-	-	-
		38400	0.35	31-03-2017	-	-	38400	0.35

## SAINIK FINANCE & INDUSTRIES LIMITED

### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at The beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>A Director:</b>								
1.	Sh. Rudra Sen Sindhu	358283	3.29	01-04-2016	-	-	358283	3.29
		-	-				-	-
		617506	5.68	31-03-2017	-	-	617506	5.68
2.	Sh. Kuldeep Singh Solanki	1527430	14.04	01-04-2016	-	-	1527430	14.04
		-	-				-	-
		1786653	16.42	31-03-2017	-	-	1786653	16.42
3	Samai Singh	2000	0.02	01-04-2016			2000	0.02
		-	-		-	-	-	-
		2000	0.02	31-03-2017	-	-	2000	0.02
4	Renuka Hooda	NIL					NIL	
<b>B. Key Managerial Personnel</b>								
1	Kapil Shamra, CEO	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2.	Jagdish Chandra, CFO	460	-	01-04-2016	-	-	460	-
		-	-				-	-
		460	-	31-03-2017			460	-
3.	Kunal Gupta	NIL					NIL	

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	23,42,34,251	NIL	23,42,34,251
ii) Interest due but not paid	NIL	4,37,22,985	NIL	4,37,22,985
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	27,79,57,236	NIL	27,79,57,236
Change in Indebtedness during the financial year				
Addition	NIL	138,37,22,985	NIL	138,37,22,985
Reduction	NIL	11,20,00,000	NIL	11,20,00,000
Net Change	NIL	127,17,22,985	NIL	127,17,22,985
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	150,59,57,236	NIL	150,59,57,236
ii) Interest due but not paid	NIL	4,55,23,264	NIL	4,55,23,264
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	155,14,80,500	NIL	155,14,80,500

## SAINIK FINANCE & INDUSTRIES LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL
	Ceiling as per the Act	NIL	NIL	NIL

#### B. Remuneration to other directors:

Sl No.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors			
	· Fee for attending board committee meetings	NIL	NIL	NIL
	· Commission	NIL	NIL	NIL
	· Others, please specify	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL
	2. Other Non-Executive Directors			
	· Fee for attending board committee meetings	NIL	NIL	NIL
	· Commission	NIL	NIL	NIL
	· Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL

## SAINIK FINANCE & INDUSTRIES LIMITED

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in Rs.)

Sl. No.	Particular of Remuneration	Name of Key Managerial Personnel			
		CEO (Kapil Sharma)	Company Secretary (Kunal Gupta)	CFO (Jagdish Chandra)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	9,04,507	1,44,000	12,89,327	23,37,834
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	9,04,507	1,44,000	12,89,327	23,37,834
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

### VII. PENALTY / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type		Section of the Companies Act	Brief description	Details of Penalty/ Punishment /Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made, If any (give details)
<b>A.</b>	<b>Company</b>					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
<b>B.</b>	<b>Directors</b>					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
<b>C.</b>	<b>Other Officers in default</b>					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

# SAINIK FINANCE & INDUSTRIES LIMITED

## CORPORATE GOVERNANCE REPORT for the financial year ended on 31st March, 2017

ANNEXURE-C

### 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 SEBI (Listing Obligations and Disclosure Requirements), 2015, 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 4 (Four) directors (of which 2 are non-executive independent directors) who possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

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

Name of Director	Category	No. of shares held
Mr. Kuldeep Singh Solanki	Non-Executive -Non Independent Director	17,86,653
Mr. Rudra Sen Sindhu	Non-Executive -Non Independent Director	6,17,506
Mr. Samai Singh	Independent Director	2000
Mrs. Renuka Hooda	Independent Director	NIL

#### 2.2 Board Meetings held during the year under review:

**During the Financial Year 2016-17**, Seven (7) meetings of the Board of Directors of the Company were held on 26th May, 2016, 11th August, 2016, 11th November 2016, 31st December 2016, 27th January 2017, 08th February 2017 and 27th March, 2017.

#### 2.3 Attendance record of Directors at Board Meeting and Annual General Meeting of the Company held during the financial year 2016-17 and number of Directorships / Committee memberships / Chairmanships of other companies at on date

Name of Director	Attendance details				Chairman	Member
	At Board Meeting	At Annual General Meeting held on 30.09.2016	Number of other Companies in which he/she Director (other than foreign companies and section 8 Companies)	*Other committees of which he is		
Mr. Rudra Sen Sindhu	7	Yes	12	2	2	
Mr. Kuldeep Singh Solanki	6	Yes	13	1	-	
Mr. Samai Singh	7	Yes	3	-	-	
Mrs. Renuka Hooda	7	Yes	2	-	-	
Mr. Rahul RameshKumar Jain**	2	NA		2	-	

\* For the purpose of reckoning the limit of Chairmanship / Membership in Committees, we consider only Audit Committee and Stakeholders Relationship Committee.

\*\* Resigned from the Directorship of the Company w.e.f. 25.04.2017

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## SAINIK FINANCE & INDUSTRIES LIMITED

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### 2.4 Independent Directors:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website [www.sainikfinance.com](http://www.sainikfinance.com). The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

The Independent Directors held a Separate Meeting on 27th March, 2017, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- a) Reviewed the performance of non-independent directors and the Board as a whole;
- b) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- c) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 3. COMMITTEES OF THE BOARD

#### 3.1 AUDIT COMMITTEE

The Audit Committee has been constituted by the Board of Directors in order to meet the requirements of section 177 of the Companies Act, 2013 as well as regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the committee are financially literate.

The terms of reference of the audit committee are broadly include:

- (i) the remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters; and
- (ix) oversee the vigil mechanism established by the Company for directors and employees to report genuine concerns."

The Audit Committee shall also exercise the following powers in addition to the powers specified above:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

## SAINIK FINANCE & INDUSTRIES LIMITED

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- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134(5) of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look 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.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee."

As on date the Audit Committee comprise the following members:

Mrs. Renuka Hooda	Chairman	Independent Director.
Mr. Rudra Sen Sindhu	Member	Non-Executive Director Non Independent Director.
Mr. Samai Singh	Member	Independent Director



## SAINIK FINANCE & INDUSTRIES LIMITED

During the year under review, 4 (Four) Audit Committee meetings were held. The attendance record of the members during these meetings is set down below:

Date of Meeting	Mrs. Renuka Hooda	Mr. Rudra Sen Sindhu	Mr. Samai Singh
26.05.2016	Yes	Yes	Yes
11.08.2016	Yes	Yes	Yes
11.11.2016	Yes	Yes	Yes
08.02.2017	Yes	Yes	Yes

### 3.2 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship 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, re-mat / de-mat of shares, change of address etc. and the redressal of their complaints. The Stakeholder Relationship Committee has been constituted by the Board of Directors in order to meet the requirements of section 178 of the Companies Act, 2013 as well as the regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on date the **Stakeholders Relationship Committee** comprises of the following members

Mrs. Renuka Hooda	Chairman	Independent Director
Mr. Samai Singh	Member	Independent Director
Mr. Rudra Sen Sindhu	Member	Non -Executive Non Independent Director.

The Committee met 8 (Eight) times during the year under review. The following table summarizes the attendance of the members at the Stakeholders Relationship Committee of the Company:

Date of Meeting	Mrs. Renuka Hooda	Mr. Rudra Sen Sindhu	Mr. Samai Singh
14.06.2016	Yes	Yes	Yes
30.06.2016	Yes	Yes	Yes
11.08.2016	Yes	Yes	Yes
30.09.2016	Yes	Yes	Yes
17.11.2016	Yes	Yes	Yes
08.12.2016	Yes	Yes	Yes
15.03.2017	Yes	Yes	Yes
31.03.2017	Yes	Yes	Yes

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

Sl. No.	Particulars	No.	Status/Remark
1.	Number of queries/complaints received from shareholders/ investors from April 01, 2016 to March 31, 2017 regarding non-receipt of dividend/ interest warrants, non-receipt of shares sent for transfer, Annual Reports etc.	NIL	NIL
2.	Number of queries/complaints not attended	NIL	N.A.
3.	Number of request of Share Transfer / Transmission received during the year.	3	-
4.	Number of Shares for which above requests received.	299	-
5.	Number of Share Transfer cases done during the year	3	-
6.	Number of Share Transfer pending during the year	NIL	N.A

# SAINIK FINANCE & INDUSTRIES LIMITED

## 3.3 NOMINATION AND REMUNERATION COMMITTEE

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The broad terms of reference of the nomination and remuneration committee are as under:

- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down
- recommend to the Board their appointment and removal
- shall carry out evaluation of every director's performance.
- formulate the criteria for determining qualifications, positive attributes and independence of a director
- recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- while formulating the policy under sub-section (3) of section 178 of the Act ensure that -
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

As on date the Nomination and Remuneration Committee comprises of the following members:

Mrs. Renuka Hooda	Chairman	Independent Director
Mr.Samai Singh	Member	Independent Director
Mr. Rudra Sen Sindhu	Member	Non -Executive Non Independent Director

The Committee met 2 (Two) times during the year under review. The following table summarises the attendance of the members at the Nomination and Remuneration Committee of the Company:

Date of meeting	Mr. Rudra Sen Sindhu	Mr. Samai Singh	Mrs. Renuka Hooda
11.08.2016	Yes	Yes	Yes
27.01.2017	Yes	Yes	Yes

## 4. THE MANNER OF THE BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

### **5. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

#### **a) Criteria of selection of Non-executive Directors**

The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **b) CEO & Executive Chairman / Director - Criteria for selection / appointment**

For the purpose of selection of the CEO & Executive Chairman / Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Nomination and Remuneration Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### **c) Remuneration to the independent directors or for the CEO & Executive Director at the time of appointment or re-appointment,**

At the time of appointment or re-appointment, the CEO & Executive Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO & Executive Chairman / Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration of the CEO & Executive Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits.

#### **d) Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees, the Committee shall ensure the relationship of remuneration and performance benchmark is clear. The Executive Director will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Committee for its review and approval.

# SAINIK FINANCE & INDUSTRIES LIMITED

## 6 BUSINESS RISK MANAGEMENT

The Internal Auditors also report to the Committee from time to time from the purpose of risk management. Business Risk Evaluation and Management is an outgoing process within the Organization. The Company has a strong risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management.
2. Reviewing the policy and framework in line with legal requirements and SEBI guidelines.
3. Reviewing risks and evaluate treatment including initiating mitigation actions.
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan

## 7. GENERAL MEETINGS

Location and time of the last three Annual General Meetings:

Year	Date	Time	Location
2016	30th September, 2016	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Kishangarh-Mehrauli Road, Near Maa Anandmai Ashram, New Delhi-110 057
2015	30th September, 2015	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Kishangarh-Mehrauli Road, Near Maa Anandmai Ashram, New Delhi-110 057
2014	30th September, 2014	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Kishangarh-Mehrauli Road, Near Maa Anandmai Ashram, New Delhi-110 057

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

Sl.	Particulars	Status	Remarks
1.	Whether any Special Resolutions were passed at the last three Annual General Meeting	Yes	Special resolution passed for approval of related party transactions at Annual General Meeting held on 30-09-2015.
2.	Whether Special Resolutions were put through postal ballot during the year	Yes: Result of which declared on 27 <sup>th</sup> March, 2017	a) Special resolution passed Section 180(1)(c) of the Companies Act, 2013 to authorize Board of Directors for borrowing monies or availing / taking loan etc. and b) Special resolution passed Section 180(1)(a) of the Companies Act, 2013 for selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking of the Company / creation of charge or mortgage on the Company's properties both present and future, in respect to borrowings.
3.	Persons who conducted the postal ballot	Mr. Rajesh Gulati, Practicing Chartered Accountant was appointed as the scrutinizer for carrying out the postal ballot process.	
4.	Procedure for postal ballot	The Company followed the procedure for conducting postal as prescribed under section 110 read with section 108 of the Companies Act, 2013 and rules made thereunder. The Company also provided e-voting facility in addition to physical ballot to all members. For this purpose, the Company has engaged the services of NSDL. Postal ballot forms and notices were dispatched along with postage prepaid business reply envelopes to registered members. The same notice was sent by email to members who have opted for receiving communication through the electronic mode. The Company also published notices in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.  Voting rights were reckoned on the paid-up value of shares registered in the names of members as on the cut-off date. Members who want to exercise their votes by physical postal ballot were requested to return the forms, duly completed and signed, to the scrutinizer on or before the closing of voting period. Those using the e-voting option are requested to vote before the closing of hours on the last date of e-voting. The scrutinizer completes his scrutiny and submits his report to the Chairman, and consolidated results of voting are declared /announced by the Chairman. The results are also displayed on the Company website <a href="http://www.sainikfinance.com">www.sainikfinance.com</a> , besides being communicated to stock exchange.	

# SAINIK FINANCE & INDUSTRIES LIMITED

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## 8. DISCLOSURES

- a) Except as disclosed in annual report of the Company for the financial year ended on 31st March, 2017, there was no related party transactions with its promoters, Directors or the management, their subsidiaries / relatives that may have potential conflict with the interests of the Company at large.
- b) There were no cases 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.
- c) The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
- d) No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
- e) To the extent possible, the Company has complied with the mandatory requirement of this clause.
- f) The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

## 9. 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: Millennium Post /The Financial Express - English / and Dainik Haribhoomi - Vernacular language (Hindi) |
| c) Any website where displayed   | <a href="http://www.sainikfinance.com">www.sainikfinance.com</a>  |
| 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   |

## 10. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date	:	28 <sup>th</sup> September, 2017
Day	:	Thursday,
Time	:	9:30 A.M.
Venue	:	Farm House of M/s Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi-110 070
ISIN	:	INE584B01013

**Financial Calendar (tentative) : Financial year – April 01, 2017– March 31, 2018**

### Quarterly results- For Quarter ending

30-06-2017	-	10 <sup>th</sup> August, 2017
30-09-2017	-	1 <sup>st</sup> / 2 <sup>nd</sup> week of November, 2017.
31-12-2017	-	1 <sup>st</sup> / 2 <sup>nd</sup> week of February, 2018
31-03-2018	-	3 <sup>rd</sup> /4 <sup>th</sup> week of May, 2018

# SAINIK FINANCE & INDUSTRIES LIMITED

## Book closure

Friday, 22nd September, 2017 to Thursday, 28th September, 2017, (both days inclusive)

**Listing on Stock Exchange(s): BSE Limited, Mumbai**, Floor 25, P.J.Towers, Dalal Street, Mumbai - 400 001.

The Listing fees have been paid to the Stock Exchange for the financial year 2017-18.

**Stock Exchange Code:** For BSE Limited - 530265 (SAINIK)

**Market Price data as traded at BSE Limited) during the year under report:** The Company's shares are listed at BSE Limited. Stock Exchange Code of the Company is 530265. The market data as traded at BSE Limited during the year 2016-17 are as under:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2016	28.00	25.30	October, 2016	27.45	24.80
May, 2016	25.00	21.15	November, 2016	-	-
June, 2016	24.20	19.10	December, 2016	29.80	26.00
July, 2016	27.75	25.35	January, 2017	30.95	29.10
August, 2016	28.35	27.65	February, 2017	30.90	25.00
September, 2016	28.90	22.80	March, 2017	28.50	24.60

## Share Transfer system

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf are processed by the Registrar and Transfer Agents and are approved by Stakeholders Relationship Committee. The Company registers the transfers in the name of transferee within a period of fifteen days from date of receipt of such request for transfer of shares, if documents are complete in all respect and the Company proceeds all requests for transmission of shares held in dematerialized mode and physical mode within seven days and twenty one days respectively, after receipt of the specified documents.

## Outstanding GDR/Warrants/Convertible Instruments

The Company has no outstanding GDR/Warrants/Convertible Instruments.

## 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 :** [cs.anamika@indusinvest.com](mailto:cs.anamika@indusinvest.com)

**Website :** [www.indusinvest.com](http://www.indusinvest.com)

**Business Hours :** 10:00 a.m. to 6:00 p.m. (Monday to Saturday except second and fourth Saturdays)

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

## SAINIK FINANCE & INDUSTRIES LIMITED

### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:

Category wise Shareholding (in shares)	No. of Shareholders	% to Total Shareholders	Number of Share held	% to total share capital
UPTO 500	2991	85.78	301947	2.78
501 - 1000	163	4.67	126858	1.17
1001 - 5000	227	6.51	556661	5.12
5001- 10000	44	1.26	321070	2.95
10001-20000	19	0.54	282197	2.59
20001-30000	3	0.09	76,200	0.70
30001-40000	5	0.14	179311	1.65
40001-50000	4	0.11	177550	1.63
50001-100000	11	0.32	723441	6.65
ABOVE 100000	20	0.57	8134765	74.77
<b>Total</b>	<b>3487</b>	<b>100.00</b>	<b>1,08,80,000</b>	<b>100.00</b>

### SHAREHOLDING DETAILS AS ON 31ST MARCH, 2017:

Category	No. of shares held	Percentage of shareholding
Promoters	62,05,924	57.04
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial institutions, Insurance Companies (Central / State Govt. Institutions/Non-govt. Institutions)	-	-
FII's	-	-
Private Bodies Corporate	29,63,589	27.24
Indian Public	16,75,551	15.40
NRIs	33,006	0.30
Clearing House	1,930	0.02
<b>TOTAL</b>	<b>1,08,80,000</b>	<b>100.00</b>

### TOP 10 SHAREHOLDERS OF THE COMPANY AS ON 31ST MARCH, 2017:

Sr. No.	Name	Shares	Percentage
1.	Kuldeep Singh Solanki	17,86,653	16.42
2.	Sindhu Trade Links Limited	11,73,565	10.79
3.	Maneesha Finlease Limited	10,46,159	9.62
4.	Rudra Sen Sindhu	6,17,506	5.68
5.	PARMESHWARI DEVI	4,56,532	4.20
6.	Yuvraj Singh Solanki	4,32,833	3.98
7.	Sainik Mining and Allied Services Limited	3,53,186	3.25
8.	Indu Solanki	3,37,833	3.11
9.	Sarvesh Sindhu	2,48,866	2.29
10.	Vir Sen Sindhu (HUF)	2,47,066	2.27

# SAINIK FINANCE & INDUSTRIES LIMITED

## DEMATERIALISATION OF SHARES AND DETAILS THEREOF

The shareholders desirous of getting the shares dematerialized 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 dematerialized. 8,098,131 Equity shares of the Company i.e. 74.43% of total paid up share capital are held in dematerialized form as on 31st March, 2017.

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

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

### 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@sainik.org](mailto:info@sainik.org)

**CIN** : L26912DL1991PLC045449

**Business Hours:** 10:00 a.m. to 6:00 p.m. (Monday through Saturday- 'except second and fourth Saturdays')

#### **Corporate Office of the Company:**

7th Floor, Office Tower, Ambience Mall,  
NH-8, Gurgaon-122002, Haryana

**Tel.No** : 0124-2719000

**E-mail** : [legal.secreterial@sainikmining.com](mailto:legal.secreterial@sainikmining.com)

**Business Hours:** 10:00 a.m. to 6:00 p.m. (Monday through Saturday- 'except second and fourth Saturdays')

#### **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:** [cs.anamika@indusinvest.com](mailto:cs.anamika@indusinvest.com)

**Website:** [www.indusinvest.com](http://www.indusinvest.com)

**Business Hours:** 10:00 a.m. to 6:00 p.m. (Monday through Saturday- 'except second and fourth Saturdays')

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

Place : New Delhi  
Dated : 10th August, 2017

**Kuldeep Singh Solanki**  
Director  
DIN: 00009212

**Rudra Sen Sindhu**  
Director  
DIN: 00006999



# SAINIK FINANCE & INDUSTRIES LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A macroeconomic overview:

Financial year 2016-17 (FY2017) began on a positive note. India had closed FY2016 with growth in real GDP of 7.9% and a growth in gross value added (GVA) of 7.8%. Despite two disconcerting facts - namely, the high level and proportion of the banking sector's non-performing assets coupled with a muted growth in bank credit- there were expectations of India achieving a GDP growth rate somewhere between 7.5% and 8% in FY2017.

Unfortunately, that has not occurred. The second advance estimates of national income forecast by the Central Statistics Office (CSO) released on 28 February 2017 suggest a real GDP growth of 7.1% for FY2017; and a real gross value added (GVA) growth of 6.7%. Both estimates are significantly lower than what the economy achieved in the previous year.

On 8 November 2016, the Government announced demonetisation of Rs.500 and Rs. 1,000 banknotes, which represented 86% of the currency in circulation. Contemporary evidence suggested significant disruption arising out of unprecedented cash constraints throughout the economy. For lending institutions in particular, the impact of lower collection efficiencies was quite severe, and resulted in poorer credit growth.

However, the national income data published by the CSO does not suggest any significant reduction in GDP or GVA growth in the third quarter of FY2017 which could have been correlated with the demonetisation drive. The third quarter traditionally tends to be muted. In FY2016, the growth rate of real GVA in Q2 was 8.4%; and in Q3 it was 7%, or a sequential drop of 1.4 percentage points. In FY2017, GVA growth in Q2 was 6.7%, and in Q3 it was 6.6%. In other words, despite the effects of demonetisation for over 60% of Q3 FY2017, the negative effect as reported by the CSO has been only 10 basis points. We need harder evidence to clearly quantify the impact of demonetisation on real GDP or GVA growth. What the data so far suggests is that it was more moderate than the naysayers claimed it would be. And that the effects would be transitory. If demonetisation was not the prime cause for the lower estimate of GDP and GVA growth in FY2017, then what were the other determinants? There are two.

The first is insufficient investments, especially over the last five years. Gross fixed capital formation (GFCF) for FY2017 is estimated to be only 0.6% higher than what it was in FY2016. The share of GFCF to GDP has steadily fallen from 31.7% in FY2015 to 31.1% in FY2016 to a low of 29.2% in FY2017. Unless investments rapidly pick up in FY2018 and the following year, it is difficult to envisage how India can achieve a sustained real GDP growth of 7.5%, leave aside an aspirational target of 8%.

The second is also related to investments and linked to the state of our banks, especially many of those under Government ownership. Data for the quarter ended 31 December 2016 shows that for the 27 public sector banks which account for the vast majority of the nation's loans and advances, gross NPAs were estimated at H 647,759 crore, a 140% increase over what it was two years earlier. Today, such NPAs constituted 12% of total loans and advances. The proportion may indeed be higher still. In any event, with these banks being so badly stressed, there is no appetite for advancing term loans without which, it is impossible to envisage the investment spends required to transit to a higher growth path. Consequently, it is not surprising that several sectors of the economy have seen a reduction in growth. Real GVA in mining and quarrying is estimated to grow by only 1.3% in FY2017 versus 12.3% in the previous year. Manufacturing growth for FY2017 is pegged at 7.7%, which will be 290 basis points lower than what it was a year ago. GVA from trade, hotels, transport, communications and broadcasting services are expected to grow by 7.3% compared to 10.7% in FY2016. And GVA from financial, real estate and professional services is estimated to grow at 6.5% in FY2017 versus 10.8% a year before. Having said this, it needs to be emphasised that 7.1% real GDP (or 6.7% real GVA) growth happens to be among the highest in the developed world and across all major emerging markets, including China. From a cross-country perspective, therefore, we seem to be doing well enough. The issue is internal to India: Is such growth sufficient to significantly increase incomes and employment and reduce poverty in the country? And the answer is straightforward: we need to do much more. What about inflation? The Consumer Price Index (CPI) inflation varied month-to-month between 3.2% and 6.1% during FY2017. Excluding food and fuel, however, core CPI inflation has remained at around 4.9% since September 2016, which is somewhat higher than what the Reserve Bank of India (RBI) is comfortable with. Thus, in February 2017, the RBI changed its monetary policy stance from accommodative to neutral. With core inflation remaining firm in the neighbourhood of 5%, the RBI in its first monetary policy statement for 2017-18 (FY2018) has justified maintaining a hawkish stance. Growth in bank credit continued to be subdued. Thanks to the overhang of NPAs, it grew only by 5.2% in FY2017 versus 10.2% in the previous year. On the liability side, demonetisation led to an unnatural growth in bank deposits, which increased by 11.9% in FY2017 compared to 9.1% in FY2016. Awash with post-demonetisation liquidity, the banks significantly reduced their incremental marginal cost based lending rates in January 2017.

This, we believe, has created a potentially alarming situation in the banking sector, especially for the public sector banks. On the one hand, these institutions remain saddled with high levels of NPAs from which they earn little or no returns and need quarterly provisioning to the detriment of their profits. On the other hand, extra liquidity has forced a reduction in lending rates which, in turn, reduced the net income margin from new lending. Without exaggeration, it is fair to say that the state of most banks continue to be alarming.

How FY2018 plays out depends upon two factors: the investment appetite of the country and a perennial annual variable called the monsoons. Regarding the former, there is still no sign of even a modest upsurge in private investments as firms continue to leverage efficiency improvements and squeeze the best out of existing capacities. As far as the latter is concerned, the India Meteorological Department has come out with an initial forecast of a normal monsoon. That remains to be seen. It will only be after August 2017 that we know how ample the south west monsoon was.

On the other side, the roll out of the nation-wide Goods and Service Tax (GST) in FY2018 ought to aid growth. To be sure, a task as monumental as the GST will have teething troubles in the first two quarters. We believe that it is only in FY2019 that the country will begin to see the overall benefits of this key economic reform. Equally, the Insolvency and Bankruptcy code ought to finally create a market for stressed assets; and, all other things being equal, reduced bank lending rates should make borrowing more attractive than before. Despite these positives, it is difficult to see a quantum jump in GDP growth in FY2018. From our perspective, if we see India's real GDP growing at around 7.4% to 7.5% in the coming year, it will be a creditable achievement. Anything higher will be a bonus.

# SAINIK FINANCE & INDUSTRIES LIMITED

Non-Banking Finance Companies (NBFCs) continued to grow their share in the financial services industry. As per data published by RBI in its Financial Stability Report of December 2016, NBFCs have outperformed Scheduled Commercial Banks (SCBs) on growth in advances and in asset quality.

## **POSSIBLE THREATS**

As we get into an environment which is likely to be largely positive over medium to long term, there may be significant roadblocks in the shorter term. The implementation of GST is likely to cause certain short term disturbances. Despite recent push by the RBI, the resolution of stressed assets in the system is likely to take more time. Also the effect of various loan waivers on credit culture in the rural areas is still to be seen.

Your Company acknowledges these possible negative factors and has a plan to mitigate them through its deep domain knowledge, strong risk framework and an efficient collection mechanism.

## **OUTLOOK**

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2017-18. We believe that the growth momentum of NBFCs will result in their share in the financial services sector increasing in the near future.

## **FIXED DEPOSITS**

The Company is a non-deposit accepting company -NBFC. The Company has not accepted any fixed deposit during the period under review.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

## **RISK MANAGEMENT**

The Company recognizes the importance of risk management and has accordingly invested in appropriate processes, people and a management structure. The Board of Directors of the Company reviews the asset quality at frequent intervals. The asset quality of the company continues to remain healthy. The nature of business the company is engaged in exposes it to a slew of complex and variable risks. The rapid and continuous changes in the business environment have ensured that the organization becomes increasingly risk focused to achieve its strategic objectives. SFIL's policies ensure timely identification, management and mitigation of relevant risks, such as credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risks, which help the company move forward with vigour.

## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

### **Share Capital**

The paid up equity share capital of the Company as on March 31, 2017 stands at Rs. 10,88,00,000 divided into 1,08,80,000 equity shares of Rs. 10/- each fully paid up.

### **Net Worth**

The Net Worth of the Company increased from Rs. 30.00 Crore to Rs. 32.10 Crore during the year under review.

### **Total Income**

During the year under review the total income of the Company was Rs 9.99 Crore.

### **Other Income**

During the year under review other income of the Company was Rs.0.10 Crores.

### **Interest and Finance Charges**

During the year under review total interest and finance charges were Rs. 5.06 Crore as against Rs. 4.86 Crore in the previous year.

### **Tax Expense**

During the year under review tax expenses were Rs.1.39 Crore as compared to Rs. 1.19 cr. in previous year.

### **RBI Guidelines**

The company has complied with all the applicable regulations of the Reserve Bank of India.

### **Human Resources/ Industrial Relations**

The Company has a dedicated team who has been contributing to the progress and growth of the Company. The manpower requirement at the offices of the Company is assessed continuously and recruitment is conducted accordingly.

### **Performance During the year**

During the year under review, the Company made a profit of Rs. 26,310,037/- (before tax).

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

Place : New Delhi  
Dated : 10th August, 2017

**Kuldeep Singh Solanki**  
Director  
DIN: 00009212

**Rudra Sen Sindhu**  
Director  
DIN: 00006999

# **SAINIK FINANCE & INDUSTRIES LIMITED**

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## **CERTIFICATE ON CORPORATE GOVERNANCE:**

To

The members

**Sainik Finance & Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Sainik Finance & Industries Limited for the year ended on March 31, 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

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 the 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

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

For **KUMRA BHATIA & CO.**

Chartered Accountants

FR No. 002848N

**(P. K. Bhatia)**

Partner

M. No. 81174

Place : New Delhi

Dated : 10th August, 2017

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

This is to confirm that the Company has adopted a Code of Conduct for its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**(Kapil Sharma)**

Chief Executive Officer

Place : New Delhi

Dated: 10th August, 2017

# **SAINIK FINANCE & INDUSTRIES LIMITED**

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## **CEO/CFO Certification**

The Board of Directors

### **Sainik Finance & Industries Limited**

- A. We have reviewed financial statements and the cash flow statement for the financial year 2016-2017 and certify that these statements to the best of our knowledge and belief :
- 1) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 2) present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, 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 for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- E. To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Company

**For SAINIK FINANCE & INDUSTRIES LIMITED**

Place : New Delhi  
Dated : 10th August, 2017

**Jagdish Chandra**  
(Chief Financial Officer)

**Kapil Sharma**  
(Chief Executive Officer)

# **SAINIK FINANCE & INDUSTRIES LIMITED**

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Sainik Finance & Industries Limited**

#### **Report on Financial Statements**

We have audited the accompanying financial statements of Sainik Finance & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by company and as produced to us by the management.

For **KUMRA BHATIA & CO.**  
Chartered Accountants  
Firm's registration number: 002848N

Place : New Delhi  
Dated: 29th May 2017

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

# SAINIK FINANCE & INDUSTRIES LIMITED

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## ANNEXURE 'A'

### **The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- i. a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. The company has a program for the physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its assets. No significant discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company.
- ii. The management has conducted physically verification in respect of finished goods at reasonable intervals. No material discrepancies have been noticed on physical verification of inventories as compared to book records.
- iii. The company has granted secured and unsecured loan to three parties covered in the register maintained under section 189 of the Companies Act, 2013 wherein the balance receivable as at the year-end is Rs.15,52,80,161/-. The maximum amount outstanding during the year was Rs.15,52,80,161/-.
  - a. The terms and conditions of the grant of such loans are not prejudicial to the interest of company.
  - b. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand with interest.
  - c. Since the term of arrangement do not stipulate any repayment schedule and the loans are repayable on demand, no question of overdue amounts will arise in respect of the loans granted to the parties listed in the register maintained under section 189 of the Act.
- iv. The company has not provided any loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. As the company has not taken any loan from financial institution, bank, Government or debenture holders. So question of repayment of loan does not arise.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that no managerial remuneration has been paid to any directors of the company during the year. Hence no approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act was required.
- xii. The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and all the provisions as per RBI guidelines have been duly complied with.
  - a) The company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration (CoR) from the Bank.
  - b) The company is holding CoR and is entitled to hold such CoR in terms of its assets/income pattern as on March 31 of the applicable year.
  - c) Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 85 /03.02.089 /2006-07 dated December 6, 2006 for classification of NBFCs. The company is deemed to be classified as Loan Company (LC) by Circular No. DNBS.PD.CC No.128/03.02.059/2008-09 dated September 15, 2008. Since the company did not approach the regional office concerned for appropriate classification by 31 December,2008.

For **KUMRA BHATIA & CO.**  
Chartered Accountants  
Firm's registration number: 002848N

Place : New Delhi  
Dated: 29th May 2017

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



# **SAINIK FINANCE & INDUSTRIES LIMITED**

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**ANNEXURE 'B'**

## ***Report on Internal Financial Controls Over Financial Reporting***

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting SAINIK FINANCE & INDUSTRIES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

## **SAINIK FINANCE & INDUSTRIES LIMITED**

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2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **KUMRA BHATIA & CO.**  
Chartered Accountants  
Firm's registration number: 002848N

Place : New Delhi  
Dated: 29th May 2017

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

# SAINIK FINANCE & INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTE NO.	AS AT 31ST, MARCH 2017 (₹)	AS AT 31ST, MARCH 2016 (₹)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital	3	<b>108,800,000</b>	108,800,000
Reserves and Surplus	4	<b>212,209,774</b>	191,157,177
		<b>321,009,774</b>	299,957,177
<b>Non- current liabilities</b>			
Deferred Tax liabilities (Net)	6	<b>2,205,490</b>	2,221,215
Other Long term liabilities	7	<b>1,500,000</b>	4,000,000
Long-term Provisions	8	<b>14,712,157</b>	21,429,269
		<b>18,417,647</b>	27,650,484
<b>Current Liabilities</b>			
Short term borrowings	5	<b>1,505,957,236</b>	234,234,251
Trade payables	9	<b>46,544,145</b>	44,248,540
Other current liabilities	10	<b>5,879,581</b>	5,609,273
Short term provisions	8	<b>13,901,860</b>	12,598,670
		<b>1,572,282,822</b>	296,690,734
<b>TOTAL</b>		<b>1,911,710,243</b>	624,298,395
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	11	<b>6,390,433</b>	8,446,921
- Intangible assets		-	-
Non-current investments		-	-
Long-term loans and advances	12	<b>12,468,963</b>	25,397,145
Other non-current assets		-	-
		<b>18,859,396</b>	33,844,066
<b>Current assets</b>			
Inventories	13	<b>42,267</b>	42,945
Trade receivables	14	<b>1,236,686</b>	3,093,006
Cash and Cash equivalents	15	<b>8,971,720</b>	6,404,364
Short-term loans and advances	12	<b>1,882,600,174</b>	580,914,014
		<b>1,892,850,847</b>	590,454,329
<b>TOTAL</b>		<b>1,911,710,243</b>	624,298,395
<b>Significant accounting policies and notes to accounts</b>		<b>1-33</b>	

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

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

Place : New Delhi  
Dated : 29 May, 2017

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

**Rudra Sen Sindhu**  
Director  
DIN-00006999

**Kunal Gupta**  
Company Secretary

**Kuldeep Singh Solanki**  
Director  
DIN-00009212

**Jagdish Chandra**  
C.F.O.

## SAINIK FINANCE & INDUSTRIES LIMITED

### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTE NO.	YEAR ENDED 31ST, MARCH, 2017(₹)	YEAR ENDED 31ST MARCH, 2016(₹)
<b>INCOME</b>			
I Revenue from operations	16	<b>99,827,530</b>	91,915,380
II Other Income	17	<b>101,201</b>	1,592,470
III <b>Total Revenue (I+II)</b>		<b>99,928,731</b>	93,507,850
<b>IV Expense</b>			
Cost of Materials Consumed	18	-	319,640
Purchases of Stock in Trade		-	-
Changes in inventories of finished goods, work-in- progress and Stock-in- trade	19	<b>678</b>	126,254
Employee benefits expense	20	<b>4,659,502</b>	6,016,285
Finance Costs	21	<b>50,610,072</b>	48,593,564
Depreciation and amortization expense	22	<b>93,154</b>	110,295
Other expense	23	<b>17,741,953</b>	11,464,557
<b>Total Expense</b>		<b>73,105,359</b>	66,630,595
V Profit before exceptional and extraordinary items and tax (III-IV)		<b>26,823,372</b>	26,877,255
VI Exceptional Items	24	<b>513,335</b>	-
VII Profit before extraordinary items and tax ( V-VI )		<b>26,310,037</b>	26,877,255
VIII Extraordinary items		-	-
IX <b>Profit before tax ( VII-VIII )</b>		<b>26,310,037</b>	26,877,255
<b>X Tax expense:</b>			
(1) Current tax		<b>13,901,860</b>	11,879,999
(2) Deferred tax Assets		<b>(15,725)</b>	(22,249)
		<b>13,886,135</b>	11,857,750
XI Profit/(Loss) for the period from continuing operations (VII-VIII )		<b>12,423,902</b>	15,019,505
XII Profit/(Loss) for the period from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from discontinuing operations (after tax) ( XII- XIII )		-	-
XV <b>Profit/(Loss) for the period (XI+XIV)</b>		<b>12,423,902</b>	15,019,505
<b>XVI Earnings per equity share:</b>			
(1) Basic		<b>1.14</b>	1.38
(2) Diluted		<b>1.14</b>	1.38
See accompanying notes to the financial statements	<b>1-33</b>		

As per our 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  
DIN-00006999

**Kuldeep Singh Solanki**  
Director  
DIN-00009212

Place : New Delhi  
Dated : 29 May, 2017

**Kunal Gupta**  
Company Secretary

**Jagdish Chandra**  
C.F.O.

# SAINIK FINANCE & INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	YEAR ENDED 31ST, MARCH, 2017(₹)	YEAR ENDED 31ST MARCH, 2016(₹)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	26,823,372	26,877,255
<b>Adjustments for :-</b>		
Depreciation and amortisation	93,154	110,295
Provision for Standard, Sub-Standard Assets & Gratuity	13,244,450	9,042,807
Bad Debt written off (Net)	20,000	138,469
Profit & (Loss) on sale of assets	(513,335)	-
Creditors Written Back	-	(190,759)
Interest on Income Tax Refund	-	(963,424)
<b>Operating profit before working capital changes-</b>	<b>39,667,641</b>	<b>35,014,643</b>
<b>Adjustments for :-</b>		
Trade and other Receivables	(1,301,686,160)	129,898,134
Inventories	678	446,763
Trade payables & other liabilities	65,913	(69,549)
Current Liabilities	-	-
Trade Receivables	1,802,515	(156,085)
<b>Cash used in operations-</b>		
Interest paid	-	-
Income Tax Refund	582,927	6,675,627
Income Tax Paid for previous years	547,132	(215,000)
Direct taxes paid	(12,730,671)	(11,783,822)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(1,271,750,025)</b>	<b>159,810,711</b>
Extraordinary items	-	-
<b>Net Cash from operating activities (A)</b>	<b>(1,271,750,025)</b>	<b>159,810,711</b>
<b>B) CASH FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	-	(40,499)
Proceeds from Sale of fixed assets	1,450,000	-
Purchase of long-term Investments	-	-
Proceeds from Sale of long-term Investments	1,144,396	623,733
<b>Net cash used in investing activities (B)</b>	<b>2,594,396</b>	<b>583,234</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends & Tax on Dividend	-	-
Proceeds from Intercompany Deposits	1,271,722,985	(161,838,411)
Borrowing (Net)	-	-
<b>Net cash used in financing activities (C)</b>	<b>1,271,722,985</b>	<b>(161,838,411)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,567,356</b>	<b>(1,444,466)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>6,404,364</b>	<b>7,848,830</b>
<b>Cash and cash equivalents as at the end of the year</b>		
- Cash and Cash equivalents	8,971,720	6,404,364
- Non-Current bank balances	-	-
	<b>8,971,720</b>	<b>6,404,364</b>

As per our 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  
DIN-00006999

**Kuldeep Singh Solanki**  
Director  
DIN-00009212

Place : New Delhi  
Dated : 29 May, 2017

**Kunal Gupta**  
Company Secretary

**Jagdish Chandra**  
C.F.O.

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 1. General

The Company was incorporated on 22nd August 1991 with Registrar of Companies, NCT Delhi and Haryana in the name of M/s Garuda Clays Limited (a manufacturing company). Later on M/s Ramanuj Leasing Ltd which was incorporated on 02.01.1985 and was doing leasing & finance activities merged with M/s Garuda Clays Limited by order of the Hon'ble High Court of Delhi dt.01.11.1999 and the said order was filed with registrar of companies on 04.12.2000. The name of M/s Garuda Clays Ltd. was later on changed to M/s Sainik Finance & Industries Limited.

The Company is engaged in non-banking finance activities and registered with Reserve Bank of India as Non Banking Finance Company (NBFC). The Reserve Bank of India has renewed its registration on 03/09/2003 vide new registration certificate No. N.14.02967.

The Company was engaged in manufacturing of Portland Cement (ITC Code : 25.23.29.10) and Pre-stressed Concrete Pole (ITC Code-68.69.60.00). The business operation with respect to manufacturing of Portland Cement were discontinued in July, 2012 and the Plant machinery and equipment thereof were dismantled for sale etc. However the business operation with respect of Pre-stressed Poles continued till 2013 and thereafter the company decided the dispose off the factory building etc in entirety.

### 2. Significant Accounting Policies

#### A. **Basis of Accounting**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### B. **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

#### C. **Revenue Recognition**

- i) The Company follows the practice of accounting for Income on accrual basis except dividend. In respect of loans and advances, interest is accrued on standard advances and on others are accounted on the basis of certainty of collection, and/or receipt basis.
- ii) Sales represent invoiced value of goods sold net of excise duty.
- iii) 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.
- iv) Hire Purchase Finance Charges/ Hypothecation charges/Loan Syndication Charges have been accounted for on instalment due basis based on Internal Rate of Return.

#### D. **Inventories**

- i) 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.
- ii) Stock on Hire/ Hypothecation/ Loan Syndication Principal represents disbursed value of assets less capital repayments matured including un-matured finance/hypothecation/loan syndication

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

- iii) The securities acquired with the intention of short term holding and trading positions are considered as inventories and disclosed as current assets. The securities held as inventories under current assets are valued at lower of cost or market value as at 31st March, 2016 is considered as market value.

### **E. Fixed Assets & Depreciation**

- i) Leased assets of the Company are valued at historical cost less depreciation and lease adjustment account
- ii) Other Fixed Assets are capitalized at cost inclusive of legal and/ or installation and incidental expenses, less accumulated depreciation.
- iii) The Company provides depreciation on straight line basis on the basis of useful lives of assets as specified in Schedule II to the Companies Act, 2013.
- iv) Depreciation on assets sold / purchased during the year is proportionately charged.

#### **Impairment of Assets -**

Impairment losses, if any, are recognized in accordance with the Accounting Standard. Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount and the same is charged to the Statement of Profit & Loss.

### **F. Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **G. Taxes on Income**

- i) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- ii) Minimum Alternative Tax : In the event the income tax liability as per normal provisions of the Income Tax Act, 1961 is lower than the tax payable as per section 115J ( Minimum Alternative Tax ), tax is provided as per Section 115J.
- iii) Deferred Tax : In accordance with the Accounting Standard, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets arising from timing difference are recognized only on the consideration of prudence.

### **H. Employee Benefits**

- i) Short Term Employee Benefits: (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.
- ii) Contributions towards Provident Fund are recognized as expense. Provident Fund contributions in respect of all employees are made to Provident Fund Authorities.
- iii) 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 up to the end of the financial year.
- iv) Contribution to Central Government Employees State Insurance Scheme for eligible employees is recognized as charge for the year.

### **I. Contingent Assets and Liabilities**

- i) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- ii) Contingent Assets are neither recognized nor disclosed.

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 3. SHARE CAPITAL

(All amount in ₹)

	As at 31st March 2017	As at 31st March 2016
<b>Authorised Share Capital</b>		
110,00,000 Equity Shares face value of Rs. 10/- each (Previous year 110,00,000 equity shares)	<b>110,000,000</b>	110,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
108,80,000 Equity Shares of face value Rs. 10/- each fully paid up (Previous year 108,80,000 equity shares)	<b>108,800,000</b>	108,800,000
<b>TOTAL</b>	<b>108,800,000</b>	108,800,000

#### 3.1 Reconciliation of Shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount	No. of Shares	Amount
At the Commencement and at the end of the year	<b>10,880,000</b>	<b>108,800,000</b>	10,880,000	108,800,000

#### 3.2 The details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	%held	No. of Shares	%held
Kuldeep Singh Solanki	<b>1,786,653</b>	<b>16.42%</b>	1,527,430	14.04%
Rudra Sen Sindhu	<b>617,506</b>	<b>5.68%</b>	-	-
Sindhu Trade Links Limited	<b>1,173,565</b>	<b>10.79%</b>	1,173,565	10.79%
Maneesha Finlease Ltd.	<b>1,046,159</b>	<b>9.62%</b>	1,046,159	9.62%
Sainik Mining And Allied Services Ltd.	-	-	853,666	7.85%

### 4. RESERVES & SURPLUS

	As at 31st March 2017	As at 31st March 2016
<b>General Reserve</b>		
Balance as per last year	<b>7,191,579</b>	7,191,579
<b>Reserve Fund</b>		
Balance as per last year	<b>49,860,412</b>	44,484,961
Add : Transferred from P&L Account	<b>5,262,007</b>	5,375,451
<b>Profit and Loss Appropriation Account</b>		
Balance as per last year	<b>94,090,186</b>	77,895,912
Add : Profit for the year	<b>12,423,902</b>	15,019,505
Add : Provision for Bad & Doubtful Debts Written Back	<b>6,343,826</b>	2,807,457
Add : Provision for Standard Assets Written Back	<b>1,737,737</b>	1,784,172
	<b>114,595,651</b>	97,507,046
Less : Appropriations -		
Transfer to Reserve Fund (RBI Norms)	<b>5,262,007</b>	5,375,451
Demand/(Excess) provision of Income Tax for earlier years	<b>(547,132)</b>	(1,958,591)
	<b>109,880,776</b>	94,090,186
<b>Securities Premium Reserve</b>		
Balance as per last year	<b>40,015,000</b>	40,015,000
<b>TOTAL</b>	<b>212,209,774</b>	191,157,177



# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 5. BORROWINGS

	Long-Term		Short-Term	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
<b>Unsecured</b>				
Inter Corporate Deposits	-	-	<b>1,505,957,236</b>	234,234,251
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,505,957,236</b>	234,234,251

5.1 Maturity profile of Unsecured Loan - Inter Corporate Deposits is 360 days.

### 6 DEFERRED TAX LIABILITY (Net)

	As at 31st March 2017	As at 31st March 2016
<b>Deferred Tax Liability on Account of :</b>		
- Related to fixed assets	<b>2,205,490</b>	2,221,215
Net Deferred Tax Liability	<b>2,205,490</b>	2,221,215

6.1 **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.22,21,215/- in respect of timing differences upto 1st April, 2016 as a reduction to General Reserves. Further, the deferred tax asset of the year amounting to Rs. 6,84,650/- has been debited to the Profit & Loss Account.

### 7 OTHER LONG TERM LIABILITIES

	As at 31st March 2017	As at 31st March 2016
Lease Security Deposit	<b>1,500,000</b>	1,500,000
Security Deposit from Agencies	-	2,500,000
	<b>1,500,000</b>	4,000,000

### 8 PROVISIONS

	Long-Term		Short-Term	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
<b>For Income Tax</b>				
Assessment Year 2015-16	-	-	-	12,598,670
Assessment Year 2016-17	-	11,879,999	-	-
Assessment Year 2017-18	-	-	<b>13,901,860</b>	-
<b>For Reserve Bank of India (pursuant to RBI Norms)</b>				
Sub-Standard Assets (NPA)	<b>6,362,692</b>	6,343,826	-	-
Standard Assets 0.35% (Previous year 0.30%)	<b>6,568,651</b>	1,737,737	-	-
<b>For Gratuity</b>				
	<b>1,780,814</b>	1,467,707	-	-
	<b>14,712,157</b>	21,429,269	<b>13,901,860</b>	12,598,670

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- 8.1 The company has made provision on Non Performing Assets in accordance with the RBI directives to the extent of Rs 63,62,692/- which has been debited to the Profit & Loss Account.
- 8.2 The company has made provision for Standard Assets accordance with the RBI directives to the extent of Rs 65,70,569/- has been debited to the Profit & Loss Account.
- 8.3 Upto the financial year ended 31.03.2016, the company has made provision for gratuity of Rs.14,67,707/- under the payment of Gratuity Act, 1972. The company has made further provision of Rs.3,13,107/- for Gratuity in the financial year ended 31.03.2017.

### 9 TRADE PAYABLES

	<b>As at 31st March 2017</b>	As at 31st March 2016
Micro, Small and Medium Enterprises	-	-
Others	<b>46,544,145</b>	44,248,540
	<b>46,544,145</b>	44,248,540

- 9.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under - Nil (Previous year - Rs. Nil)

### 10 OTHER CURRENT LIABILITIES

	<b>As at 31st March 2017</b>	As at 31st March 2016
Expenses Payable	<b>5,766,767</b>	5,477,709
Advances from Customers	<b>112,814</b>	131,564
	<b>5,879,581</b>	5,609,273

# Expenses payable includes statutory dues

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 11 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			LEASE ADJUSTMENT BLOCK			NET BLOCK	
	Useful Life (in Years)	As On 31st March 2016	Addition During the Year	Sale/Adjustment during the year	As On 31st March 2017	Upto 31st March 2016	Depreciation adjusted with retained earnings	For the year	Sale/Adjustment during the year	Upto 31st March 2016	Upto 31st March 2017
<b>TANGIBLE ASSETS</b>											
<b>Finance Division</b>											
ASSETS ON LEASE											
Other Equipments	13	5,300,000	-	-	5,300,000	5,134,720	-	-	-	(3,278,624)	3,443,904
OTHER ASSETS											
Car/Jeep	8	591,000	-	-	591,000	591,000	-	-	-	-	-
Scooter/Motor Cycle	10	62,875	-	-	62,875	62,875	-	-	-	-	-
Office Equipments	5	1,107,790	-	-	1,107,790	1,107,790	-	-	-	-	-
Computer	3	279,824	-	-	279,824	245,668	10,125	-	-	-	24,031
Furniture & Fixture	10	534,066	-	-	534,066	530,691	3,375	-	-	-	3,375
<b>Manufacturing Division</b>											
Land	-	1,603,360	-	-	1,603,360	-	-	-	-	-	1,603,360
Building	30	1,917,204	-	-	1,917,204	566,384	60,775	-	-	-	1,290,045
Car/Jeep	8	501,669	-	-	501,669	501,669	-	-	-	-	-
Furniture & Fixture	10	1,413,749	-	-	1,413,749	1,365,777	18,879	-	-	-	29,093
Office Equipments	5	199,000	-	-	199,000	199,000	-	-	-	-	47,972
Computer	3	210,322	-	-	210,322	210,322	-	-	-	-	-
Plant & Machinery (Assets held for Disposal)*		2,779,095	-	2,779,095	-	815,760	-	815,760	-	-	1,963,335
<b>Total (Tangible assets)</b>		<b>16,499,954</b>	<b>-</b>	<b>2,779,095</b>	<b>13,720,859</b>	<b>11,331,656</b>	<b>93,154</b>	<b>815,760</b>	<b>(3,278,624)</b>	<b>6,390,433</b>	<b>8,446,921</b>
<b>INTANGIBLE ASSETS</b>											
Software		-	-	-	-	-	-	-	-	-	-
<b>Total (Intangible assets)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Year</b>		<b>16,499,954</b>	<b>-</b>	<b>2,779,095</b>	<b>13,720,859</b>	<b>11,331,656</b>	<b>93,154</b>	<b>815,760</b>	<b>(3,278,624)</b>	<b>6,390,433</b>	<b>8,446,921</b>
Previous Year		17,549,780	40,500	1,090,326	16,499,954	12,311,686	110,295	1,090,326	(3,278,624)	8,446,921	8,516,717

11.1 \*During the financial year 2012-13 the company has entered into an agreement for sale of Plant and Machinery, wherein the company has agreed to sell the Plant & Machinery of the Cement & Pole production plant situated at Rewari (Haryana). Consequently the Company has treated the said Plant & Machinery as assets retired from active use and held for disposal and not in use.

11.2 Assets on lease are become Non-performing Assets (NPA). There is no lease rent received during the year, hence no depreciation has been charged on leased assets.

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 12 LOANS & ADVANCES

(Unsecured Considered Good, unless otherwise stated)

	<b>As at 31st March 2017</b>	<b>Long-Term</b> As at 31st March 2016	<b>As at 31st March 2017</b>	<b>Short-Term</b> As at 31st March 2016
Advances Recoverable in cash or in kind or for value to be received	<b>12,212,354</b>	23,996,140	<b>1,862,298,545</b>	506,848,192
Trade Advances	<b>426,155</b>	2,008,348	<b>20,999,977</b>	74,763,123
Less : Unmatured Interest	<b>169,546</b>	607,343	<b>698,348</b>	697,301
	<b><u>12,468,963</u></b>	<u>25,397,145</u>	<b><u>1,882,600,174</u></b>	<u>580,914,014</u>

### 13 INVENTORIES

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

	<b>As at 31st March 2017</b>	As at 31st March 2016
a) Finished Goods (At Cost or Market price whichever is lower)	<b>3,200</b>	8,000
b) Shares (At Cost or Market price whichever is lower)	<b>39,067</b>	34,945
	<b><u>42,267</u></b>	<u>42,945</u>

### 14 TRADE RECEIVABLES

(Unsecured and Considered Good)

	<b>As at 31st March 2017</b>	As at 31st March 2016
<b>Hypothecation Money Receivable</b>		
Outstanding for a period exceeding 6 month	<b>680,855</b>	680,855
Other Debts	-	-
	<b><u>680,855</u></b>	<u>680,855</u>
Less: Unmatured Finance Charges (NPA)	-	-
	<b>680,855</b>	680,855
<b>Cement Receivable</b>		
Outstanding for a period exceeding 6 month	<b>555,831</b>	2,412,151
Other Debts	-	-
	<b><u>555,831</u></b>	<u>2,412,151</u>
	<b><u>1,236,686</u></b>	<u>3,093,006</u>

### 15 CASH AND CASH EQUIVALENTS

	<b>As at 31st March 2017</b>	<b>Non-Current</b> As at 31st March 2016	<b>As at 31st March 2017</b>	<b>Current</b> As at 31st March 2016
Cash Balance on hand	-	-	<b>153,155</b>	209,185
Balances with Banks	-	-	<b>8,818,565</b>	6,195,179
	<b><u>-</u></b>	<u>-</u>	<b><u>8,971,720</u></b>	<u>6,404,364</u>

# Cash Balance on hand including imprest with employee

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 16 REVENUE FROM OPERATIONS

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Sales</b>		
Sale of PCC Poles	5,260	33,550
<b>Interest &amp; Finance Charges</b>		
Interest Income	99,822,270	91,881,830
	99,827,530	91,915,380
	99,827,530	91,915,380

### 17 OTHER INCOME

Miscellaneous Receipts	-	264,046
Interest Income on Income Tax Refund	-	963,424
Rent Received	-	365,000
Insurance claim received	55,000	-
Sale of Scrap	46,201	-
	101,201	1,592,470
	101,201	1,592,470

### 18 COST OF MATERIAL CONSUMED

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Raw Materials Consumed</b>		
Opening Stock	-	319,640
Add:Purchased during the year	-	-
	-	319,640
Less:Closing Stock	-	-
	-	319,640
	-	319,640

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Finished &amp; Semi Finished Goods</b>		
A. Opening Stock		
Finished Goods	8,000	129,138
Semi-Finished Goods	-	-
	8,000	129,138
Add : Purchased during the year	-	-
	8,000	129,138
B. Less : Closing Stock		
Finished Goods	3,200	8,000
	3,200	8,000
(Increase)/Decrease in Stocks (A-B)	4,800	121,138
<b>Shares &amp; Units</b>		
Opening Stock	34,945	40,085
Add : Purchased during the year	-	-
	34,945	40,085
Less : Sales/Adjustment During the year	-	24
Less : Closing Stock	39,067	34,945
	(4,122)	5,116
	678	126,254
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Security Services	708,694	537,276
Salary, Wages and Other Benefits	3,572,036	4,375,295
Staff Welfare	65,665	142,470
Provision for Gratuity	313,107	961,244
	4,659,502	6,016,285
20.1 Salary includes Director remuneration of Rs Nil ( Previous year Rs.Nil)		
<b>21 FINANCE COSTS</b>		
Interest Paid on loan	50,605,832	48,581,097
Bank/BG Charges	4,240	12,467
	50,610,072	48,593,564
<b>22 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Deprecation and amortization	93,154	110,295
	93,154	110,295

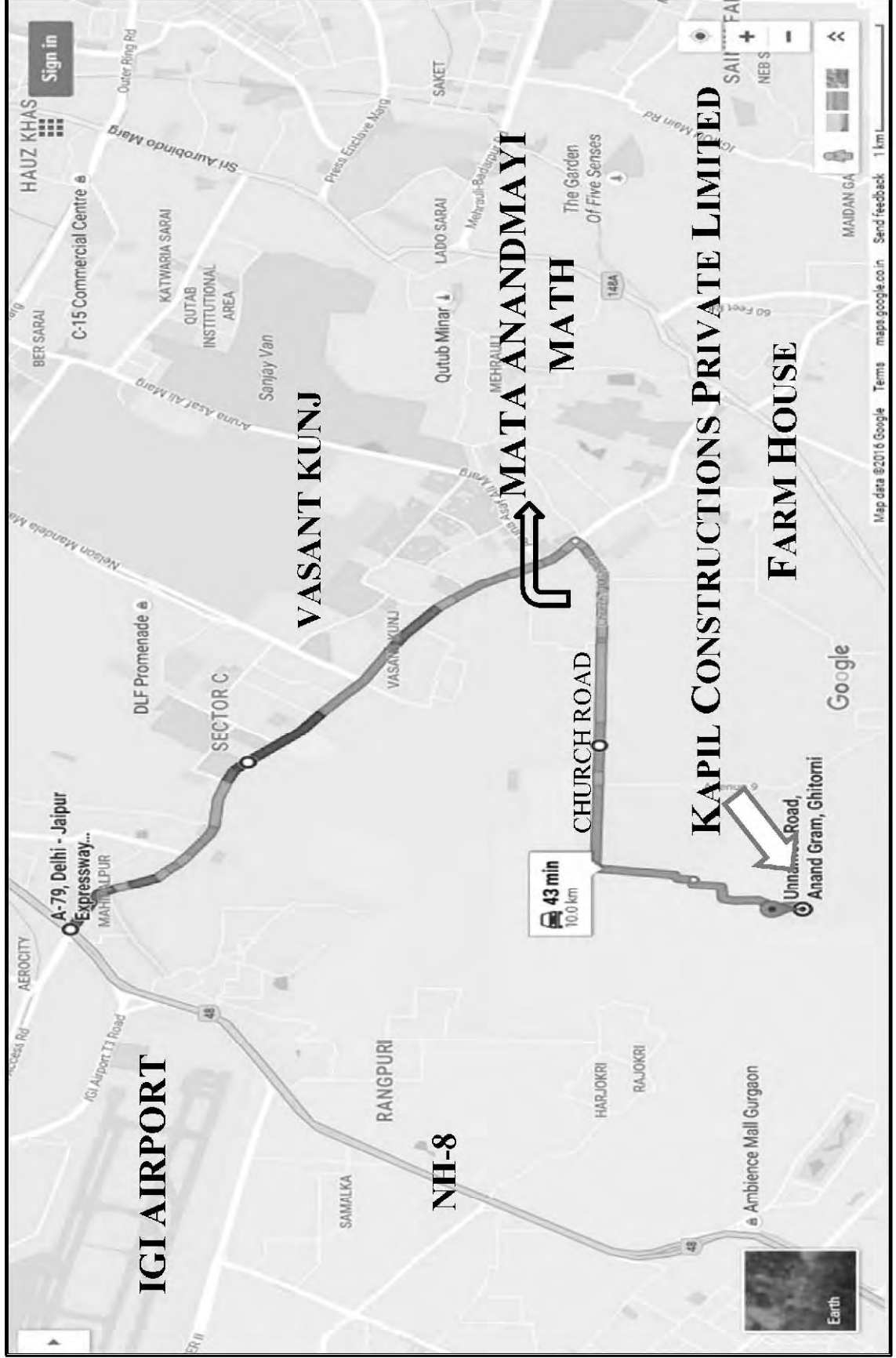
# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 23 OTHER EXPENSES

	For the year ended 31st March 2017		For the year ended 31st March 2016	
Advertisement Expenses	<b>100,892</b>			91,030
<u>Repairs &amp; Maintenance</u>				
Building	<b>543,110</b>		35,734	
Office	<b>121,695</b>	<b>664,805</b>	130,900	166,634
Vehicle Running & Maintenance	-			67,138
Travelling & Conveyance	<b>101,076</b>			115,231
Rates Fees & Taxes	<b>398,310</b>			394,642
General Expenses	<b>133,222</b>			188,901
Insurance Charges	-			6,602
Electricity & Water Charges	<b>352,223</b>			447,322
Donation	<b>2,100</b>			4,200
Legal & Professional Charges	<b>1,981,018</b>			746,068
Newspaper & periodicals	<b>11,660</b>			11,200
Auditor Remuneration -				
- Statutory & Tax Audit Fees	<b>167,000</b>		157,500	
- Income Tax Representation Fees	<b>83,000</b>		78,500	
- Service tax	<b>37,500</b>	<b>287,500</b>	34,220	270,220
AGM Expenses	<b>41,290</b>			65,171
Printing & Stationery	<b>102,566</b>			85,245
Postage & Telegram	<b>117,473</b>			52,863
Telephone Expenses	<b>58,293</b>			81,285
Software Maintenance expenses	<b>36,800</b>			24,000
Rent Paid	<b>95,000</b>			144,000
Internal Audit Fees & Expenses	<b>266,340</b>			252,473
Diwali Expenses	<b>40,042</b>			30,300
Bad Debts Written Off	<b>20,000</b>			138,469
Provision for bad & doubtful debts (Pursuant to RBI Norms)	<b>6,362,692</b>			6,343,826
Provision for Standard Assets (Pursuant to RBI Norms)	<b>6,568,651</b>			1,737,737
	<b>17,741,953</b>			11,464,557
<b>24 EXCEPTIONAL ITEMS</b>				
Loss on Sale of Assets	<b>513,335</b>			-
	<b>513,335</b>			-

# ROUTE MAP TO VENUE FOR ANNUAL GENERAL MEETING





## SAINIK FINANCE & INDUSTRIES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

25. Contingent Liability - Rs. Nil (previous year - Nil)
26. Balances shown under the head of Current Assets, Loans and Advances are considered as good and recoverable by the management.
27. Disclosure on Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016

During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31,2017 on details of Specified Bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30,2016 , the denomination wise SBNs and other notes as per the notification is given below:-

Amount in Rs.

	SBN	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	1,37,500	15,994	1,53,494
(+) Permitted receipts (cash withdraw from banks)	-	2,40,000	2,40,000
(-) Permitted payments (expenses)	-	1,33,382	1,33,382
(-) Amount deposited in Banks	1,37,500	-	1,37,500
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,22,612</b>	<b>1,22,612</b>

\*For the purpose of this clause the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number 3407(E),dated 8th November 2016.

28. Debit balances of debtors are subjected to confirmation and reconciliation form respective parties. The final adjustment, if any, in the account of parties shall be known only after confirmation / reconciliation, the amount of which could not be ascertained.
29. As per the Accounting Standard, disclosure regarding related party as defined in the are given below :
- a. Enterprises where control Exist :
- |   |   |     |
|---|---|-----|
| Subsidiaries                            | : | Nil |
| Other Entities under control of company | : | Nil |
- b. Other related party with whom the company had transactions, etc.
- i) Associates and Others :
- |  |  |                              |
|--|--|------------------------------|
| a) Kapil Construction Private Limited            |  | Director /Shareholding       |
| b) Indus Portfolio Private Limited               |  | Director /Shareholding       |
| c) Mittersen Agro Farms Private Limited          |  | Director /Shareholding       |
| d) Kartikay Exploration & Mining Private Limited |  | Director Relative Interested |
| e) TAS Integrators Private Limited               |  | Director Relative Interested |
- ii) Joint Venture :
- |                   |  |                              |
|-------------------|--|------------------------------|
| Sainik Automobile |  | Director Relative Interested |
|-------------------|--|------------------------------|
- iii) Key Management Personnel :
- |                    |  |                   |
|--------------------|--|-------------------|
| a) Kapil Sharma    |  | C.E.O.            |
| b) Jagdish Chandra |  | C.F.O.            |
| c) Kunal Gupta     |  | Company Secretary |

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

c) Related party transactions

<b>Transaction</b>	<b>Associates</b>	<b>Key Management</b>	<b>Total</b>
<b>Services Received</b>			
Indus Portfolio Private Limited	10,350	-	10,350
Kapil Construction Private Limited	60,000	-	60,000
	<b>70,350</b>	-	<b>70,350</b>
<b>Finance Provided</b>			
Tas Integrators Private Limited	63,50,000	-	63,50,000
	<b>63,50,000</b>	-	<b>63,50,000</b>
<b>Refund of Finance Provided</b>			
Tas Integrators Private Limited	5,50,000	-	5,50,000
	<b>5,50,000</b>	-	<b>5,50,000</b>
<b>Interest Income</b>			
Sainik Automobile	425,000	-	425,000
Kartikay Exploration & Mining Private Limited	1,92,74,007	-	1,92,74,007
Tas Integrators Private Limited	8,41,863	-	8,41,863
	<b>2,05,40,870</b>	-	<b>2,05,40,870</b>
<b>Interest Paid</b>			
Mittersen Agro Farms Private Limited	8,90,416	-	8,90,416
	<b>8,90,416</b>	-	<b>8,90,416</b>
<b>Salary to Key Managerial Personnel</b>			
Kapil Sharma	-	9,04,507	9,04,507
Jagdish Chandra	-	12,89,327	12,89,327
Kunal Gupta	-	1,44,000	1,44,000
	-	<b>23,37,834</b>	<b>23,37,834</b>

d) Particulars of balances as on 31st March, 2017 in respect of related party transactions :

<b>Transaction</b>	<b>Associates</b>	<b>Key Management</b>	<b>Total</b>
<b>Finance Provided</b>			
Sainik Automobile	2,882,500	-	2,882,500
Kartikay Exploration & Mining Pvt.Ltd	14,58,39,985	-	14,58,39,985
Tas Integrators Pvt.Ltd.	65,57,676	-	65,57,676
	<b>15,52,80,161</b>	-	<b>15,52,80,161</b>
<b>Finance Received</b>			
Mittersen Agro Farms Pvt. Ltd.	76,50,731	-	76,50,731
	<b>76,50,731</b>	-	<b>76,50,731</b>

30. Prudential Norms of the Reserve Bank of India (RBI) :

- a) Appropriated 20% of the net profit to "Reserve Fund" under section 45-IC of the RBI Act.1934. - Rs.52,62,007/- (Previous year Rs. 53,75,451/-)
- b) Break up of other 'Provisions and Contingencies' have shown under the head Expenditure in Profit & Loss Account (in Rs.)

SI	Particulars	2016-17	2015-16
1	Provision for depreciation on Investment	Nil	Nil
2	Provision towards Non performing Assets	63,62,692	63,43,826
3	Provision made towards Income Tax	1,38,86,135	118,57,750
4	Other Provisions and Contingencies	Nil	Nil
5	Provision for Standard Assets 0.35% (Previous Year 0.30%)	65,68,651	17,37,737

c) Balance Sheet of Non-Deposit taking Non-Banking Financial Company - (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting and Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

### Liabilities side:

(Rs.)

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	1551480500	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Other Loans	Nil	Nil

\* Please see Note 1 below



## SAINIK FINANCE & INDUSTRIES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

#### 5 Borrower group-wise classification of assets financed as in (2) and (3) above :

(Please see Note 2 below)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	2882500	148722485	151604985
2. Other than related parties	21800497	1712196829	1733997326
<b>Total</b>	<b>24682997</b>	<b>1860919314</b>	<b>1885602311</b>

#### 6 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	Nil	Nil
2. Other than related parties	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

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

#### 7 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	11411455
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	7226156
(iii) Assets acquired in satisfaction of debt	Nil

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- Notes :**
- i) As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  - ii) Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
  - iii) 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 (4) above.

- 31.** CIF Value of Import of Raw Materials Components, Spare parts & Capital goods : Nil
- a) Expenditure in Foreign Currency : Nil
  - b) Remittance in Foreign Currency : Nil
  - c) Earning in Foreign currency : Nil  
(CIF Value in Exports)
- 32.** Additional information in accordance of Companies Act, 2013. The company was discontinued its manufacturing operation in the Cement and Poles segment in Financial year 2012-13.
- a) Licensed & Installed Capacity and Actual Production in MT: Nil (Previous Year- Nil)
  - b) Quantitative Detail of Consumption of Raw Materials and packing material : Nil (Previous Year- Nil )
  - c) Quantitative Detail of Finished Goods :

Particulars	<u>Opening Stock</u>				<u>Closing Stock</u>			
	Quantity (MT)		Amount		Quantity (MT)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
C-Silo	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Quantity (Nos)		Amount		Quantity (Nos)		Amount	
Poles	5	23	8000	129138	2	5	3200	8000

**d) Sales:**

Particulars	<u>Quantity (NOS)</u>		<u>Amount</u>	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Poles	3	18	5,260	33550

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

e) Quantitative detail of Shares/Stock

NAME OF SCRIPT	OPENING		PURCHASES		SALES/ADJUSTMENT		CLOSING STOCK			
	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	COST PRICE	MARKET RATE	COST OR MARKET PRICE WHICHEVER IS LESS
RANA MOHENDRA PAPERS LIMITED*	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 PLASTOCHEM. LTD.*	100	110	-	-	-	-	100	4,368	110	110
NAHAR SUGAR & ALLIED IND.LTD*	100	2,405	-	-	-	-	100	7,511	2,405	2,405
THE TIMES GAURANTEE LTD.	100	1,725	-	-	-	-	100	12,696	3,385	3,385
OSWAL AGRO LTD	500	5,410	-	-	-	-	500	20,213	5,180	5,180
SOMDATT FINANCE CORP. LTD.	700	2,982	-	-	-	-	700	54,033	4,067	4,067
ARVIND LTD	9	2,458	-	-	-	-	9	6,445	3,555	3,555
NAMESTE EXPORTS LTD.	200	520	-	-	-	-	200	17,322	520	520
SHREE RAM URBAN INFRAST. LTD.	100	5,745	-	-	-	-	100	47,559	6,255	6,255
	4509	34,945	-	-	-	-	4509	269,982	39,067	39,067

\* Shares have been valued at last available traded rates with Stock Exchanges

33. Previous Years Figures are regrouped /reclassified wherever necessary

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

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

Place : New Delhi  
Dated : 29 May, 2017

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

**Rudra Sen Sindhu**  
Director  
DIN-00006999

**Kunal Gupta**  
Company Secretary

**Kuldeep Singh Solanki**  
Director  
DIN-00235036

**Jagdish Chandra**  
C.F.O.

## SAINIK FINANCE & INDUSTRIES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

25. Contingent Liability - Rs. Nil (previous year - Nil)
26. Balances shown under the head of Current Assets, Loans and Advances are considered as good and recoverable by the management.
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During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31,2017 on details of Specified Bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30,2016 , the denomination wise SBNs and other notes as per the notification is given below:-

Amount in Rs.

	SBN	Other Denomination notes	Total
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(-) Permitted payments (expenses)	-	1,33,382	1,33,382
(-) Amount deposited in Banks	1,37,500	-	1,37,500
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,22,612</b>	<b>1,22,612</b>

\*For the purpose of this clause the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number 3407(E),dated 8th November 2016.

28. Debit balances of debtors are subjected to confirmation and reconciliation form respective parties. The final adjustment, if any, in the account of parties shall be known only after confirmation / reconciliation, the amount of which could not be ascertained.
29. As per the Accounting Standard, disclosure regarding related party as defined in the are given below :
- a. Enterprises where control Exist :
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|---|---|-----|
| Subsidiaries                            | : | Nil |
| Other Entities under control of company | : | Nil |
- b. Other related party with whom the company had transactions, etc.
- i) Associates and Others :
- |  |  |                              |
|--|--|------------------------------|
| a) Kapil Construction Private Limited            |  | Director /Shareholding       |
| b) Indus Portfolio Private Limited               |  | Director /Shareholding       |
| c) Mittersen Agro Farms Private Limited          |  | Director /Shareholding       |
| d) Kartikay Exploration & Mining Private Limited |  | Director Relative Interested |
| e) TAS Integrators Private Limited               |  | Director Relative Interested |
- ii) Joint Venture :
- |                   |  |                              |
|-------------------|--|------------------------------|
| Sainik Automobile |  | Director Relative Interested |
|-------------------|--|------------------------------|
- iii) Key Management Personnel :
- |                    |  |                   |
|--------------------|--|-------------------|
| a) Kapil Sharma    |  | C.E.O.            |
| b) Jagdish Chandra |  | C.F.O.            |
| c) Kunal Gupta     |  | Company Secretary |

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

c) Related party transactions

<b>Transaction</b>	<b>Associates</b>	<b>Key Management</b>	<b>Total</b>
<b>Services Received</b>			
Indus Portfolio Private Limited	10,350	-	10,350
Kapil Construction Private Limited	60,000	-	60,000
	<b>70,350</b>	-	<b>70,350</b>
<b>Finance Provided</b>			
Tas Integrators Private Limited	63,50,000	-	63,50,000
	<b>63,50,000</b>	-	<b>63,50,000</b>
<b>Refund of Finance Provided</b>			
Tas Integrators Private Limited	5,50,000	-	5,50,000
	<b>5,50,000</b>	-	<b>5,50,000</b>
<b>Interest Income</b>			
Sainik Automobile	425,000	-	425,000
Kartikay Exploration & Mining Private Limited	1,92,74,007	-	1,92,74,007
Tas Integrators Private Limited	8,41,863	-	8,41,863
	<b>2,05,40,870</b>	-	<b>2,05,40,870</b>
<b>Interest Paid</b>			
Mittersen Agro Farms Private Limited	8,90,416	-	8,90,416
	<b>8,90,416</b>	-	<b>8,90,416</b>
<b>Salary to Key Managerial Personnel</b>			
Kapil Sharma	-	9,04,507	9,04,507
Jagdish Chandra	-	12,89,327	12,89,327
Kunal Gupta	-	1,44,000	1,44,000
	-	<b>23,37,834</b>	<b>23,37,834</b>

d) Particulars of balances as on 31st March, 2017 in respect of related party transactions :

<b>Transaction</b>	<b>Associates</b>	<b>Key Management</b>	<b>Total</b>
<b>Finance Provided</b>			
Sainik Automobile	2,882,500	-	2,882,500
Kartikay Exploration & Mining Pvt.Ltd	14,58,39,985	-	14,58,39,985
Tas Integrators Pvt.Ltd.	65,57,676	-	65,57,676
	<b>15,52,80,161</b>	-	<b>15,52,80,161</b>
<b>Finance Received</b>			
Mittersen Agro Farms Pvt. Ltd.	76,50,731	-	76,50,731
	<b>76,50,731</b>	-	<b>76,50,731</b>

30. Prudential Norms of the Reserve Bank of India (RBI) :

- a) Appropriated 20% of the net profit to "Reserve Fund" under section 45-IC of the RBI Act.1934. - Rs.52,62,007/- (Previous year Rs. 53,75,451/-)
- b) Break up of other 'Provisions and Contingencies' have shown under the head Expenditure in Profit & Loss Account (in Rs.)

SI	Particulars	2016-17	2015-16
1	Provision for depreciation on Investment	Nil	Nil
2	Provision towards Non performing Assets	63,62,692	63,43,826
3	Provision made towards Income Tax	1,38,86,135	118,57,750
4	Other Provisions and Contingencies	Nil	Nil
5	Provision for Standard Assets 0.35% (Previous Year 0.30%)	65,68,651	17,37,737

c) Balance Sheet of Non-Deposit taking Non-Banking Financial Company - (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting and Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

### Liabilities side:

(Rs.)

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	1551480500	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Other Loans	Nil	Nil

\* Please see Note 1 below





## SAINIK FINANCE & INDUSTRIES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

#### 5 Borrower group-wise classification of assets financed as in (2) and (3) above :

(Please see Note 2 below)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	2882500	148722485	151604985
2. Other than related parties	21800497	1712196829	1733997326
<b>Total</b>	<b>24682997</b>	<b>1860919314</b>	<b>1885602311</b>

#### 6 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	Nil	Nil
2. Other than related parties	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

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

#### 7 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	11411455
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	7226156
(iii) Assets acquired in satisfaction of debt	Nil

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- Notes :**
- i) As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  - ii) Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
  - iii) 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 (4) above.

- 31.** CIF Value of Import of Raw Materials Components, Spare parts & Capital goods : Nil
- a) Expenditure in Foreign Currency : Nil
  - b) Remittance in Foreign Currency : Nil
  - c) Earning in Foreign currency : Nil  
(CIF Value in Exports)

- 32.** Additional information in accordance of Companies Act, 2013. The company was discontinued its manufacturing operation in the Cement and Poles segment in Financial year 2012-13.

- a) Licensed & Installed Capacity and Actual Production in MT: Nil (Previous Year- Nil)
- b) Quantitative Detail of Consumption of Raw Materials and packing material : Nil (Previous Year- Nil )
- c) Quantitative Detail of Finished Goods :

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.
C-Silo	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Quantity (Nos)		Amount		Quantity (Nos)		Amount	
Poles	5	23	8000	129138	2	5	3200	8000

**d) Sales:**

Particulars	Quantity (NOS)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Poles	3	18	5,260	33550

# SAINIK FINANCE & INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

e) Quantitative detail of Shares/Stock

NAME OF SCRIPT	OPENING		PURCHASES		SALES/ADJUSTMENT		CLOSING STOCK			
	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	COST PRICE	MARKET RATE	COST OR MARKET PRICE WHICHEVER IS LESS
RANA MOHENDRA PAPERS LIMITED*	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 PLASTOCHEM. LTD.*	100	110	-	-	-	-	100	4,368	110	110
NAHAR SUGAR & ALLIED IND.LTD*	100	2,405	-	-	-	-	100	7,511	2,405	2,405
THE TIMES GAURANTEE LTD.	100	1,725	-	-	-	-	100	12,696	3,385	3,385
OSWAL AGRO LTD	500	5,410	-	-	-	-	500	20,213	5,180	5,180
SOMDATT FINANCE CORP. LTD.	700	2,982	-	-	-	-	700	54,033	4,067	4,067
ARVIND LTD	9	2,458	-	-	-	-	9	6,445	3,555	3,555
NAMESTE EXPORTS LTD.	200	520	-	-	-	-	200	17,322	520	520
SHREE RAM URBAN INFRAST. LTD.	100	5,745	-	-	-	-	100	47,559	6,255	6,255
	4509	34,945	-	-	-	-	4509	269,982	39,067	39,067

\* Shares have been valued at last available traded rates with Stock Exchanges

33. Previous Years Figures are regrouped /reclassified wherever necessary

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

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

Place : New Delhi  
Dated : 29 May, 2017

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

**Rudra Sen Sindhu**  
Director  
DIN-00006999

**Kunal Gupta**  
Company Secretary

**Kuldeep Singh Solanki**  
Director  
DIN-00235036

**Jagdish Chandra**  
C.F.O.

# SAINIK FINANCE & INDUSTRIES LIMITED

**Regd. Office:** 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi-110035  
**E-mail:** [legal.secretarial@sainikmining.com](mailto:legal.secretarial@sainikmining.com) **website:** [www.sainikfinance.com](http://www.sainikfinance.com)  
**Tel:** 0124-2719000 **Fax:** 0124-2719100 **CIN:** L26912DL1991PLC045449

## MGT-11

### PROXY FORM

{(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)}

CIN : **L26912DL1991PLC045449**  
Name of the Company : **SAINIK FINANCE & INDUSTRIES LIMITED**  
Registered Office : **129, Transport Centre, Rohtak Road, Punjabi Bagh, Delhi-110035**

<b>Name of the Member</b>	
<b>Registered Address</b>	
<b>E-mail ID</b>	
<b>Folio No/ Client ID</b>	
<b>DP ID</b>	

I/ we being a member /members of \_\_\_\_\_ shares of the above named company, hereby appoint

<b>Name</b>	
<b>Address</b>	
<b>E-mail ID</b>	
<b>Signature</b>	

Or failing him/her

<b>Name</b>	
<b>Address</b>	
<b>E-mail ID</b>	
<b>Signature</b>	

Or failing him/her

<b>Name</b>	
<b>Address</b>	
<b>E-mail ID</b>	
<b>Signature</b>	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on Thursday, 28th day of September, 2017 at 9.30 a.m. at Farm House of M/s Kapil Constructions Private Limited, Anandgram (Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi-110 070 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Please mention number of shares)		
		For	Against	Abstain
	<b>Ordinary Business:</b>			
1.	Adoption of the Annual Financial Statements of the Company for the Financial year ended 31st March, 2017, including the audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the Financial year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2.	Approval for appointment a Director in place of Mr. Kuldeep Singh Solanki, who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	Approval for appointment of M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) as statutory auditor of the Company and to fix their remuneration.			
4.	Approval for re-appointment of Mr. Samai Singh as Independent Director of the Company			
5.	Approval for charging fees from the member / shareholders to make delivery of the documents/ papers etc. through requested mode of delivery to the members / shareholders.			

Signed this ..... day of .....of 2017.

Affix a Re. 1/- Revenue Stamp
--

-----  
**Signature of shareholder**

-----  
**Signature of Proxy holder(s)**

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

## SAINIK FINANCE & INDUSTRIES LIMITED

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

**E-mail:** [legal.secretarial@sainikmining.com](mailto:legal.secretarial@sainikmining.com) **website:** [www.sainikfinance.com](http://www.sainikfinance.com)

**Tel:** 0124-2719000 **Fax:** 0124-2719100 **CIN:** L26912DL1991PLC045449

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### ATTENDANCE SLIP

**(For 25th Annual General Meeting on Thursday, 28th September, 2017 at 9.30 A.M.)**

(To be handed over at the entrance of the Company Hall)

Name of Members (in BLOCK LETTERS):	
Address of Members	
Members folio/CL. ID	
No. of Shares held	
Name of Proxy (In case of proxies only) (in BLOCK LETTERS )	

I hereby record my presence at the 25th Annual General Meeting of the Company on Thursday, 28th day of September, 2017.

-----  
**(\*Member/ Proxy Signature)**

**\* To be signed at the time of handing over the slip.**

# SAINIK FINANCE & INDUSTRIES LIMITED

**Regd. Office:** 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi-110035  
**E-mail:** legal.secretarial@sainikmining.com **website:** www.sainikfinance.com  
**Tel:** 0124-2719000 **Fax:** 0124-2719100 **CIN:** L26912DL1991PLC045449

## **FORM NO. MGT-12**

### **Polling Paper**

*[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company : **M/s Sainik Finance & Industries Limited**

Registered office : **129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi -110035**

### **BALLOT PAPER**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the first named shareholder (in block letters)	
2	Postal Address	
3	Registered folio no./ *Client ID no. (Applicable to investors holding shares in dematerialized form)	
4	Class of shares	

I hereby exercise my vote in respect of ordinary/special resolution enumerated below by recording my assent / dissent to the said resolution in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of the Annual Financial Statements of the Company for the Financial year ended 31st March, 2017, including the audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the Financial year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2.	Approval for appointment a Director in place of Mr. Kuldeep Singh Solanki, who retires by rotation and, being eligible, offers himself for re-appointment			
3.	Approval for appointment of M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) as statutory auditor of the Company and to fix their remuneration			
4.	Approval for re-appointment of Mr. Samai Singh as Independent Director of the Company			
5.	Approval for charging fees from the member / shareholders to make delivery of the documents/ papers etc. through requested mode of delivery to the members / shareholders.			

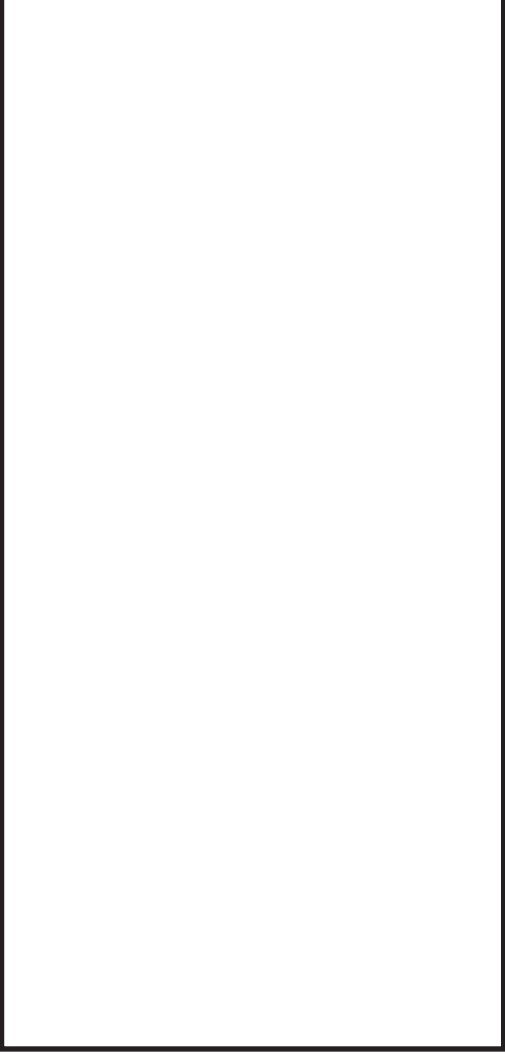
Place:

Date:

(Signature of shareholder/Proxy)



# BOOK-POST



*If undelivered, please return to :-*  
**SAINIK FINANCE & INDUSTRIES LIMITED**  
129, Transport Centre, New Rohtak Road,  
Punjabi Bagh, New Delhi-110035