

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. S.F.I.L./BSE/2019-20/25

Dated 4/9/19

To,
The Manager (Listing)
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

Sub.: Submission of Annual Report of the Company for the financial year ended 31st March, 2019 (Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Ref.:- Sainik Finance & Industries Limited ("the Company")
Dear Sir/Mam,

With reference to amended provisions of regulation 34 of SEBI (LODR) Regulation, 2015, we are enclosing herewith the copy of Annul Report of Sainik Finance & Industries Limited for the financial year ended 31st March, 2019. Further such Annual Report of the Company for the financial year ended 31st March, 2019 has also been published / uploaded at website of the Company as per following details:

<http://www.sainikfinance.com/2019-20/SFIL-%20Annual%20Financial%20Statement%20for%20the%20year%202018-19.pdf>

Kindly take the same in your record.

Thanking You,

For Sainik Finance & Industries Limited


Jagdish Chandra
Chief Financial Officer



Date: 4th September, 2019
Place: Gurugram

Annual Report
2018-2019

SAINIK FINANCE & INDUSTRIES LIMITED

SAINIK FINANCE & INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Rudra Sen Sindhu	: 00006999
Mr. Kuldeep Singh Solanki	: 00009212
Mr. Samai Singh	: 00235036
Mrs. Renuka Hooda	: 03611979

DIN NO.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Akash Shrivastava	: Chief Executive Officer
Mr. Jagdish Chandra	: Chief Financial Officer
Ms. Pooja Bansal	: 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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rudra Sen Sindhu
Mr. Kuldeep Singh Solanki
Mrs. Renuka Hooda

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

M/s. K Kumra & Co.
Chartered Accountants,
New Delhi

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Indus Portfolio Private Limited

SHARES LISTED AT

BSE Limited

CONTENTS	
Particulars	Page No.
Notice	2
Directors' Report	9
Auditors' Report	48
Balance Sheet	56
Profit & Loss Statement	57
Cash Flow Statement	58
Notes	59

SAINIK FINANCE & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the **27th (Twenty Seventh) Annual General Meeting** of the Members of **M/s Sainik Finance & Industries Limited** will be held on **Monday, the 30th day of September, 2019** 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 on 31st March, 2019, including the audited Balance Sheet as at 31st March, 2019, 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 ratify the appointment of auditors of the Company, to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"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 and subject to the approval of the shareholders / members at the ensuing General Meeting, the appointment of **M/s Nagar Goel & Chawla**, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) be and is hereby ratified as Statutory Auditors 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.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix their remuneration for the remaining terms of their appointment i.e. for the financial years 2019-20, 2020-21 and 2021-22 as may be mutually agreed upon between the statutory auditors and the Board of Directors of the Company and to do all acts, deeds and things in connection therewith on behalf of the Company."

SPECIAL BUSINESS:

4. To re-appoint Mrs. Renuka Hooda as an Independent Director and in this regard, 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 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 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), Mrs. Renuka Hooda (DIN: 03611979), who was appointed as an Independent Director and holds office as an Independent Director up to 29th March, 2020 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, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5(five) consecutive years, i.e, up to 29th March, 2025;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

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

Dated : 12th August, 2019
Place : Gurugram

Rudra Sen Sindhu
Director
DIN: 00006999

SAINIK FINANCE & INDUSTRIES LIMITED

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 4 of the Notice is 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 **Monday, 23rd September, 2019 to Monday, 30th September, 2019 (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 (RTA).
10. SEBI has mandated submission of PAN and Bank Details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Indus Portfolio Private Limited, RTA /Company.
11. 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.
12. SEBI has amended regulation 40 of the Listing Regulations, pursuant to which transfer of securities cannot be processed unless securities are held in dematerialised form (except transmission of securities or transposition of names) with effect from 31 March 2019. Accordingly, the Company has sent letters to those members holding shares in physical form advising them to dematerialise their holding. Therefore, you all are requested to get your shares dematerialized at earliest.
13. 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.
14. 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

SAINIK FINANCE & INDUSTRIES LIMITED

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 d.kataria@indusinvest.com or legal.secretarial@sainikmining.com mentioning your Folio/ DP ID & Client ID.

15. Pursuant to Section 72 of the Companies Act, 2013, the 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 for the same.
16. 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.
17. 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.
18. The Notice of the AGM along with the Annual Report 2018-19 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.
19. 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.
20. 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.
21. The instructions for e-voting are as under: Following are two steps to vote electronically on NSDL e-Voting system:

A. Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

- 1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- 2) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- 3) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- 4) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

SAINIK FINANCE & INDUSTRIES LIMITED

- 5) Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the initial password which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address
 - 6) If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - 7) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - 8) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - 9) Now, you will have to click on "Login" button
 - 10) After you click on the "Login" button, Home page of e-Voting will open.
- B. Step 2 : Cast your vote electronically on NSDL e-Voting system.**
- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 - 2) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - 3) Select "EVEN" of company for which you wish to cast your vote.
 - 4) Now you are ready for e-Voting as the Voting page opens.
 - 5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - 6) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
22. Other Instructions and details for e voting and results declaration :
- 1) The e-voting period commences on **Wednesday, 25th September, 2019 (9.00 a.m. IST) and ends on Sunday, 29th September, 2019 (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. **Monday, 23rd September, 2019**, 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.

SAINIK FINANCE & INDUSTRIES LIMITED

- 2) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **Monday, 23rd September, 2019**.
- 3) 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. Monday, 23rd September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/RTA.
- 4) 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 or contact NSDL at the following toll free no.: 1800-222-990
- 5) 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.
- 6) Mr. Rajesh Gulati, Practicing Chartered Accountant (Membership No. 089046), 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.
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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. 089046), at the Registered Office of the Company not later than **Sunday, 29th September, 2019 (5.00 p.m. IST)**.
- 11) Members have the option to request for physical copy of the Ballot Form by sending an e-mail to 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 **Sunday, 29th September, 2019 (5.00 p.m. IST)**.
- 12) Ballot Form received after this date will be treated as invalid.
- 13) 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.
- 14) The results, along with the Scrutinizer's Report will be placed on the Company's website www.sainikfinance.com and on the website of NSDL 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 : Gurugram
Dated : 12th August, 2019

Rudra Sen Sindhu
Director
DIN: 00006999

SAINIK FINANCE & INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 4

The Nomination and Remuneration Committee (NRC) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mrs. Renuka Hooda (DIN: 03611979) as an Independent Director, for a second term of 5(Five) consecutive years, on the Board of the Company

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Mrs. Renuka Hooda would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Mrs. Renuka Hooda as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5(five) consecutive years on the Board of the Company.

Mrs. Renuka Hooda is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ('the Act'), and has given his consent to act as a director.

The Company has also received declaration from Mrs. Renuka Hooda that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mrs. Renuka Hooda fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

Copy of draft letter of appointment of Mrs. Renuka Hooda setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE TO ITEM NO. 2 & 4 OF NOTICE OF AGM

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)

Brief Profile of Director being appointed/re-appointed:

Name	Mr. Kuldeep Singh Solanki	Mrs. Renuka Hooda
DIN	00009212	03611979
Age	63 years	42 years
Date of Appointment	27/03/1997	30/03/2015
Qualification	He is ex-army person and has bachelor's degree in arts.	Post-Graduate
Expertise in specific functional area	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 34 years of experience in the coal sector, power & finance sector. Apart from the Company	She has Master degree in Commerce and has in depth knowledge in the field of Finance and Investment. She also has approximately 10 years of experience in the finance sector. She joined our Company in the end of the year 2015.
Directorships held in other companies (except foreign companies)	<ul style="list-style-type: none"> • Sainik Mining and Allied Services Limited • Maneesha Finlease Limited • Global Opticals Private Limited • ACB (India) Limited • Sainik Coal Washery Private Limited • Aryan Clean Coal Technologies Private Limited • Global Coal And Mining Private Limited • Sainik Potash Private Limited • ACB (India) Power Limited • Thriveni Sainik Mining Private Limited • Rajasthan Khanij & Ispat Udyog Private Limited 	<ul style="list-style-type: none"> • Shri Guru Gyan Private Limited • Gurugyaan Foundation
Memberships / Chairmanships of committees of other Public companies (includes Audit & Stakeholder Committee)	Stakeholder Relationship Committee	Except as Chairman/Member of the Committees of the Board of the Company, she does not hold a position of Chairmanship or Membership of any Committee in any other Company.
Shareholding in the Company	22,33,070 Equity Shares	Nil
Relationship with any Director(s) of the Company	He is not related to any director or key managerial personnel of the Company.	She is not related to Company or any director or Key Managerial Personnel of the Company.

SAINIK FINANCE & INDUSTRIES LIMITED

DIRECTORS' REPORT

The members,

Ladies and Gentlemen,

Your directors have pleasure in presenting their 27th Annual Report and the Audited Statement of Accounts for the year ended on 31st March, 2019.

1. FINANCIAL RESULTS

(Amount in Rs.)

Particulars	For the financial year 2018-19	For the financial year 2017-18
Total Revenue	29,79,89,760	25,75,77,864
Profit before financial costs, depreciation, and tax	28,50,84,768	24,84,48,943
Finance Costs	21,05,55,522	18,21,66,176
Profit before depreciation and tax	7,45,29,246	6,62,82,767
Depreciation for the financial year	87,477	89,839
Profit / (Loss) before tax	7,44,41,769	6,61,92,928
Direct Taxes (current and deferred taxes)	20,195,105	1,67,03,060
Profit / (Loss) after Tax	5,42,46,664	4,94,89,868
Transfer to Reserve Fund	1,08,49,333	98,97,974

2. TRANSFERS TO RESERVES AND PROVISIONS

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

During the year under review, the Company has transferred Rs. 1,08,49,333/- (Rupees One Crores Eight Lakhs Forty Nine Thousand Three Hundred and Thirty Three Only) to Special Reserve Funds in order to comply with the provisions of Section 45IA read with section 45IC of the Reserve Bank of India Act, 1934.

As on 31st March, 2019, the Company has made the provision of Rs. 44,73,810/- (Rupees Forty Four Lakhs Seventy Three Thousand Eight Hundred and Ten Only) for Sub Standard Assets and Rs. 67,72,249/- (Rupees Sixty Seven Lakhs Seventy Two Thousand Two Hundred and Forty Nine Only) for Standard Assets in order to comply with the guidelines of the Reserve Bank of India.

3. 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.

4. PERFORMANCE REVIEW

During the year under review, the Company's total income has increased to Rs.29,79,89,760/- (Rupees Twenty Nine Crores Seventy Nine Lakhs Eighty Nine Thousand Seven Hundred and Sixty Only) as compared to Rs. 25,75,77,864/- (Rupees Twenty Five Crores Seventy Five Lakhs Seventy Seven Thousand Eight Hundred Sixty Four Only) in the previous year and the Company earned a profit before tax of Rs.7,44,41,769/- (Rupees Seven Crores Forty Four Lakhs Forty One Thousand Seven Hundred and Sixty Nine Only) as compared to Rs. 6,61,92,928/- (Rupees Six Crores Sixty One Lakhs Ninety Two Thousand Nine Hundred Twenty Eight Only) in the previous year.

SAINIK FINANCE & INDUSTRIES LIMITED

5. SHARE CAPITAL OF THE COMPANY

The Authorised share capital of the Company is Rs.11,00,00,000/- divided into 1,10,00,000 Equity shares of Rs.10/- each. Issued, Subscribed and Paid up share capital of the Company is Rs.10,88,00,000/- divided into 1,08,80,000 Equity Shares of Rs.10/- each fully paid up.

Out of the above 94,07,381 Equity Shares being 86.46% of the Company's paid up equity shares capital are in dematerialized form as on 31st March, 2019 and balance 14,72,619 Equity Shares being 13.54% of the Company's paid up equity shares capital are in physical form. The Company request all the shareholders who hold equity shares in physical form to get their equity shares dematerialised with their depository at earliest. Our Registrar & Transfer Agent is M/s Indus Portfolio Private Limited, having their communication office at G-65, Bali Nagar, New Delhi -110015.

6. PAYMENT OF 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, 2019.

7. DIRECTORS OF THE COMPANY

In term of the Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Kuldeep Singh Solanki (DIN-00009212), non- executive director of the Company, retires by rotation at ensuing Annual General Meeting being eligible, offers himself for re-appointment. Your directors recommend his re-appointment as director of the Company. Further Ms. Renuka Hooda, independent director whose term will expire on 29th March, 2020, being eligible for appointment and also appointed as independent director for the second term for five years. There was no other change in directors of the Company.

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

Declaration by Independent Directors

Pursuant to the provisions of section 149 of the Act, Mr. Samai Singh and Ms. Renuka Hooda are the independent directors of the Company. They have submitted 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, 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.

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 on appointment and remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013. The summary of Nomination and Remuneration Policy is stated in the Corporate Governance Report and is also available on the Company's website www.sainikfinance.com.

Disclosure under section 197 (12) of the Companies Act, 2013 read with rules made thereunder

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) is given below:

SAINIK FINANCE & INDUSTRIES LIMITED

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Ratio to the median
	N.A.	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;	Name of Director/CS/CFO	% increase
	Jagdish Chandra, CFO	8%
	Kapil Sharma , CEO*	-
	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 at end of the financial year under review;	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 10% for all employees based on the fixed and variable components. The increase in the percentile of managerial personnel is 9% 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.	

*Mr. Kapil Sharma, CEO resigned w.e.f. 30.04.2018 and ** Mr. Kunal Gupta, Company Secretary resigned w.e.f. 28.05.2019

None of employees of the Company has received remuneration of Rs.1,02,00,000 per annum and Rs.8,50,000 per month during the financial under review. Details of employees 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 shareholders on their request in written.

Meetings

During the year under review, (5) 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.

8. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Act, as on date the key managerial personnel of the Company are - Mr. Akash Shrivastava, Chief Executive Officer, Mr. Jagdish Chandra, Chief Financial Officer and Ms. Pooja Bansal, Company Secretary of the Company. During the year under review, Mr. Kapil Sharma, Chief Executive Officer of the Company has tendered his resignation from the post of Chief Executive officer from 30th April, 2018. Subsequent to end of financial year, Mr. Akash Shrivastava was appointed as Chief Executive Officer w.e.f. from 1st April, 2019. Mr. Kunal Gupta, Company Secretary of the Company a member of ICSI, resigned with effect from 28th May, 2019 and Ms. Pooja Bansal was appointed as Company Secretary and Compliance Officer of the Company with effect from 1st June, 2019.

9. 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.

10. 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, 2019 and state:

SAINIK FINANCE & INDUSTRIES LIMITED

- i) That in the preparation of Annual Accounts for the financial year ended as at 31st March, 2019, 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, 2019 and of the profit and loss of the Company for the financial year ended on 31st March, 2019.
- 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 2018-19.

11. 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.

12. 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.

13. 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 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.

SAINIK FINANCE & INDUSTRIES LIMITED

14. AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT

The Independent Audit Report submitted by M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi, Statutory Auditors of the Company for Financial Year ended 31st March, 2019 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark and is also self-explanatory. Hence, no explanation is required to be given in Board Report.

The Secretarial Audit Report submitted by the Secretarial Auditor for the financial ended 31st March, 2019 in Form MR-3 is annexed as an "**Annexure- A**". Such Secretarial auditors' report is also self-explanatory and does not contain any qualifications, reservations or adverse remarks.

15. RATIFICATION OF APPOINTMENT OF STATUTORY AND APPOINTMENT OF SECRETARIAL AUDITORS

a) Statutory Auditors:

Pursuant to the provisions section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and 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) were appointed as statutory auditors of the Company to hold office from the conclusion of the 25th Annual General Meeting of the Company held on 28th September, 2017 till the conclusion of the 30th Annual General Meeting of the Company to be held for the financial year ending on 31st March 2022 subject to ratification of their appointment at every annual general meeting. However, the provision of annual ratification of the appointment of statutory Auditor was dropped vide the Companies (Amendment) Act, 2017. Consequently, your directors proposed to ratify the appointment of M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi as Statutory Auditors of the Company at ensuing annual general meeting for their remaining term of three years and to fix their remuneration.

The Company has obtained a certificate from M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N), that they are not disqualified for being continuing as Statutory Auditors of the Company in terms of the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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 12th August, 2019 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 2019-20.

16. DISCLOSURE UNDER SECTION 134(3)(a) AND SECTION 92(3) READ WITH RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES 2014

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

17. 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.

18. CERTIFICATE FROM PRACTISING COMPANY SECRETARY WITH REGARDS TO NON DISQUALIFICATION OF DIRECOTRS

A certificate from M/s S.S Bhati & Associate, Practising Company Secretary to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing

SAINIK FINANCE & INDUSTRIES LIMITED

as directors of the Company by the Ministry of Corporate Affairs, Securities and Exchange Board of India or any other statutory authority is attached herewith as "**Annexure - D**". The same forms a part of this Report.

19. 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 transactions so entered are disclosed in note No. 32 to Financial Statement of the Company as attached herewith. During the year under review, no material related party transaction was entered by the Company. 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

20. 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. 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.

21. 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 2018-19, no such complaint of unethical or improper activity has been received by the Company.

22. 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 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.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particular as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 read with the provisions of Section 134(3) (m) of the Companies Act, 2013 are as follow:

SAINIK FINANCE & INDUSTRIES LIMITED

A) Conservation of energy-

Sr. No.	Particular	Remark
(i)	The steps taken or impact on conservation of energy;	Your Company carries out its business in an environmental friendly manner and is on the look-out for different ways & means to reduce the consumption of energy in its operations.
(ii)	The steps taken by the company for utilizing alternate sources of energy;	Fuel & electricity consumption in different stages were monitored regularly and suitable corrective actions were taken wherever possible.
(iii)	The capital investment on energy conservation equipment;	The Company's operations do not require capital investment on energy conservation equipment.

B) Technology absorption, adaption and innovation:

Sr. No.	Particular	Remark
(i)	the efforts made towards technology absorption;	The Company continues to use the latest technologies for improving the productivity and quality of its services and products.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) the details of technology imported; the year of import; whether the technology been fully absorbed; if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	The Company's operations do not require significant import of technology.
(iv)	the expenditure incurred on Research and Development.	The Company's operations do not require the expenditure on Research and Development

C) Foreign exchange earnings and Outgo

During the year under review, there was no Foreign Exchange Earnings and Foreign Exchange Outgo.

24. 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;

25. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company has spent Rs. 8,00,000/- on corporate social responsibility (CSR) activities as against mandatory expenditures (CSR Budget) of Rs.7,95,868/-. Detailed information on the CSR policy and CSR initiatives taken during year under review and 'Annual Report on CSR activities including composition of the CSR Committee is given in the annexed as "Annexure - E" .

SAINIK FINANCE & INDUSTRIES LIMITED

Further, the Company's net profit calculated in accordance with the provisions of section 198 of the Companies Act, 2013 for the financial year ended 31st March, 2019 is Rs.7,44,41,769/ and average net profit of preceding three financial years is Rs.5,56,48,245/-. Hence the Company is required to spend Rs.11,12,965/- (i.e.2% of average net profit of preceding three financial years) during the financial year 2019-20.

26. DISCLOSURE RELATING TO MAINTENANCE OF COST RECORD

As the Company is Non-Banking Finance Company, the Central Government does not require to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

27. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 notified on December 9, 2013, the Company has a policy for Prevention of Sexual Harassment of Women at Workplace. During the financial year ended 31st March 2019, no complaint of sexual harassment has been received by the Company.

28. DISCLOSURE ABOUT THE SHARES ISSUED ON PREFERENTIAL BASIS, IF ANY.

During the year under review, your Company has not made any allotment of shares on preferential basis.

29. DISCLOSURE ABOUT SWEAT EQUITY SHARES AND ESOP SCHEME.

Your company has not issued sweat equity shares or given stock option in the year under review.

30. LISTING OF SECURITIES

Presently, the Securities of the Company are listed on BSE Limited, Mumbai. The listing fee for the financial year 2019-20 has been paid.

31. ACKNOWLEDGEMENT

Your directors would like to place their grateful appreciation for the assistance and co-operation received from the Company's lenders, bankers, employee during the year under review. The directors also acknowledge with appreciation the support and co-operation rendered by various Government authorities 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 : Gurugram
Dated : 12th August, 2019

Kuldeep Singh Solanki
Director
DIN: 00009212

Rudra Sen Sindhu
Director
DIN: 00006999

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE-A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 Members,

SAINIK FINANCE & INDUSTRIES LIMITED

CIN-L26912DL1991PLC045449

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, 2019 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, 2019 according to the provisions of;

- I) The Companies Act, 2013 ("the Act") and the rules made there under as amended from time to time.
- II) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

SAINIK FINANCE & INDUSTRIES LIMITED

- III) The Depositories Act, 1996 and the regulations and bye-law framed hereunder;
- IV) Foreign Exchange Management Act, 1999 and 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 to the extent applicable;
 - (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.
 - (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.
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- VI) The Company has also complied with the provisions of the following laws to the extent of which they are applicable to the Company:
 - (a) The Employees' Provident Fund and Miscellaneous Provision Act, 1952.
 - (b) Industrial Dispute Act, 1947,
 - (c) The Payment of Wages Act, 1936,
 - (d) The Payment of Minimum Wages Act, 1948
 - (e) The Payment of Bonus Act, 1965,
 - (f) The Payment of Gratuity Act, 1972,
 - (g) The Maternity Benefits Act, 1961,
 - (h) The Income Tax Act, 1961,
 - (i) The Goods and Services Tax Act 2017 read with 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.

SAINIK FINANCE & INDUSTRIES LIMITED

- III. Reserve Bank of India Act, 1934,
- IV. Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to non-deposit accepting non-banking financial companies.

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, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder 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 Saturday, 29th September, 2018;
- 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 Schedule-III 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.
- 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.

SAINIK FINANCE & INDUSTRIES LIMITED

- 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 an investment and finance 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 : 12th August, 2019

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, 2019

[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	:	Sainik Finance & Industries Limited
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	-	99.34%

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	
A. Promoter									
1) Indian									
a) Individual / HUF	6559110	-	6559110	60.29	7100758	-	7100758	65.26	4.97
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	6559110	-	6559110	60.29	7100758	-	7100758	65.26	4.97
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	6559110	-	6559110	60.29	7100758	-	7100758	65.26	4.97
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
(i) Indian	1130712	1479788	2610500	23.99	1861605	199657	2061262	18.95	(5.04)
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	283345	1102306	1385651	12.73	308831	1083178	1392009	12.79	0.06
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	129865	158000	287865	2.65	134865	158000	292865	2.69	0.04
c) Others(Specify)									
i) Non-Resident Indian	1289	32117	33406	0.31	1322	31784	33106	0.31	-
ii) Clearing Member	-	-	-	-	-	-	-	-	-
iii) Clearing House	3468	-	3468	0.03	-	-	-	-	(0.03)
Sub-total(B)(2)	1548679	2772211	4320890	39.71	2306623	1472619	3779242	34.74	(4.97)
Total Public Shareholding (B)=(B)(1) + (B)(2)	1548679	2772211	4320890	39.71	2306623	1472619	3779242	34.74	(4.97)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8107789	2772211	10880000	100%	9407381	1472619	10880000	100%	-

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 share-holding 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	1963246	18.04	N.A.	2233070	20.52	N.A.	2.48
2	Rudra Sen Sindhu	794099	7.30	N.A.	1063923	9.78	N.A.	2.48
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	101569	0.93	N.A.	101569	0.93	N.A.	-
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	Niranjn Singh	4200	0.04	N.A.	6200	0.06	N.A.	0.01
34	Madhu Singh	36033	0.33	N.A.	36033	0.33	N.A.	-
	Total	6559110	60.29	N.A.	7100758	65.26	N.A.	4.97

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	6559110	60.29	6559110	60.29
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Increase	-	Increase	-
	18/03/2019	541648	4.97	541648	4.97
	At the End of the year	7100758	65.26	7100758	65.26

Reason of Change in Shareholding#

Sl. No	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the Beginning (01-04-18 / end of the Year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Kuldeep Singh Solanki	1963246	18.04	01/04/2018	-	-	1963246	18.04
		269824	2.48	18/03/2019	Increase	Purchase	269824	2.48
		2233070	20.52	31/03/2019	-	-	2233070	20.52
	Rudra Sen Sindhu	794099	7.30	01/04/2018	-	-	794099	7.30
		269824	2.48	18/03/2019	Increase	Purchase	269824	2.48
		1063923	9.78	31/03/2019	-	-	1063923	9.78

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

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
	For each of Ten Shareholders				
	At the beginning of the year	2676177	24.60	2676177	24.60
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):*	Decrease	(5.00)	Decrease	(5.00)
	At the End of the year(or on the date of separation, if separated during the year)	2132139	19.60	2132139	19.60

SAINIK FINANCE & INDUSTRIES LIMITED

Reason of Change in Top Ten Public Shareholding

Sl. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the Beginning (01-04-18 / end of the Year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Sindhu Trade Links Limited	1173565	10.79	01-04-2018	-	-	1173565	10.79
		269824	2.48	18-03-2019	Decrease	Transfer/Sale	269824	2.48
		903741	8.31	31-03-2019	-	-	903741	8.31
2.	Maneesha Finlease Limited	1046159	9.62	01-04-2018	-	-	1046159	9.62
		269824	2.48	18-03-2019	Decrease	Transfer/Sale	269824	2.48
		776335	7.14	31-03-2019	-	-	776335	7.14
3	Sindhu Farms Private Limited	111666	1.03	01-04-2018	-	-	111666	1.03
		-	-	-	-	-	-	-
		111666	1.03	31-03-2019	-	-	111666	1.03
4	Ex - Serviceman Vir Transport Pvt. Limited	61866	0.57	01-04-2018	-	-	61866	0.57
		-	-	-	-	-	-	-
		61866	0.57	31-03-2019	-	-	61866	0.57
5.	Ex - Serviceman Abhimanyu Transport Pvt. Limited	61866	0.57	01-04-2018	-	-	61866	0.57
		-	-	-	-	-	-	-
		61866	0.57	31-03-2019	-	-	61866	0.57
6.	Sanjay Kumar Sarawagi	59171	0.54	01-04-2018	-	-	59171	0.54
		5000	0.05	-	Increase	Purchase	5000	0.05
		64171	0.59	31-03-2019	-	-	64171	0.59
7	Yaspal Saharan	49200	0.45	01-04-2018	-	-	49200	0.45
		-	-	-	-	-	-	-
		49200	0.45	31-03-2019	-	-	49200	0.45
8.	Master Trust Limited	41684	0.38	01-04-2018	-	-	41684	0.38
		-	-	-	-	-	-	-
		41684	0.38	31-03-2019	-	-	41684	0.38
9	Talqeen Qureshi	38400	0.35	01-04-2018	-	-	38400	0.35
		-	-	-	-	-	-	-
		38400	0.35	31-03-2019	-	-	38400	0.35
10	Dilbagh Singh	32600	0.30	01-04-2018	-	-	32600	0.30
		-	-	-	-	-	-	-
		32600	0.30	31-03-2019	-	-	32600	0.30
11	Pritty Devi Sarawagi	-	-	01-04-2018	-	-	-	-
		32294	0.30	-	-	-	32294	0.30
		32294	0.30	31-03-2019	-	-	32294	0.30

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 (01-04-18 to 31-03-19)	
		No. of Shares at The beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	Director:							
1.	Sh. Rudra Sen Sindhu	794099	7.30	01/04/2018	-	-	794099	7.30
		269824	2.48	18/03/2019	Increase	Purchase	269824	2.48
		1063923	9.78	31/03/2019	-	-	1063923	9.78
2.	Sh. Kuldeep Singh Solanki	1963246	18.04	01/04/2018	-	-	1963246	18.04
		269824	2.48	18/03/2019	Increase	Purchase	269824	2.48
		2233070	20.52	31/03/2019	-	-	2233070	20.52
3	Samai Singh	2000	0.02	01-04-2018	-	-	2000	0.02
		-	-	-	-	-	-	-
		2000	0.02	31-03-2019	-	-	2000	0.02
4	Renuka Hooda	NIL					NIL	
B.	Key Managerial Personnel							
1	Kapil Sharma, CEO	NIL	-	-	-	-	NIL	-
2.	Jagdish Chandra, CFO	460	-	01-04-2018	-	-	460	-
		-	-	-	-	-	-	-
		460	-	31-03-2019	-	-	460	-
3.	Kunal Gupta CS	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	1,80,55,41,113	NIL	1,80,55,41,113
ii) Interest due but not paid	NIL	5,94,84,214	NIL	5,94,84,214
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	1,86,50,25,327	NIL	1,86,50,25,327
Change in Indebtedness during the financial year				
Addition	NIL	1,93,50,00,000	NIL	1,93,50,00,000
Reduction	NIL	1,51,93,55,035	NIL	1,51,93,55,035
Net Change	NIL	41,56,44,965	NIL	41,56,44,965
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	2,09,47,25,327	NIL	2,09,47,25,327
ii) Interest due but not paid	NIL	18,59,44,965	NIL	18,59,44,965
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	2,28,06,70,292	NIL	2,28,06,70,292

SAINIK FINANCE & INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI 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:

SI 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 section17(3) Income-tax Act,1961	8,28,585	1,44,000	15,12,000	24,84,585
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	8,28,585	1,44,000	15,12,000	24,84,585
	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)
A. Company					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
B. Directors					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
C. Other Officers in default					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

SAINIK FINANCE & INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT for the financial year ended on 31st March, 2019

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	22,33,070
Mr. Rudra Sen Sindhu	Non-Executive -Non Independent Director	10,63,923
Mr. Samai Singh	Independent Director	2,000
Mrs. Renuka Hooda	Independent Director	NIL

2.2 Board Meetings held during the year under review:

a) Number, dates of Board and committee Meetings held during the financial year indicating the number of meeting attended by each director

During the year under review, 5 Board meetings, 4 Audit Committee Meetings, 1 Corporate Social Responsibility Committee Meeting, 11 Shareholders Relationship Committee Meeting and 2 Nomination and Remuneration Committee meetings were held. The intervening gap between two board meetings and audit committee meetings was within the period prescribed under the Companies Act, 2013.

During the year under review, the Board met 5 times. The following table summarise the attendance of the Directors of the Company at Board meetings held during the financial year under review:

Name of Directors of the Company	Dates of Board meetings and attendance of Directors					
	23/05/18	14/08/18	14/11/18	06/02/19	29/03/19	Meeting Attended
Mr. Rudra Sen Sindhu	Yes	Yes	Yes	Yes	Yes	5
Mr. Kuldeep Singh Solanki	No	No	No	Yes	Yes	2
Mr. Samai Singh	Yes	Yes	Yes	Yes	Yes	5
Mrs. Renuka Hooda	Yes	Yes	Yes	Yes	Yes	5

b) Attendance record of Directors at Board Meeting and Annual General Meeting of the Company held during the financial year 2018-19 and details of number of Directorships /chairmanship/ memberships in the committees of other companies are given as under:

SAINIK FINANCE & INDUSTRIES LIMITED

Name of Director	Attendance details		Number of other Companies in which he / she is Director (other than foreign companies and section 8 Companies)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	Name of Listed Entities including this listed entity where the person is a Director
	At Board Meeting	At AGM held on 29-09-2018				
Mr. Rudra Sen Sindhu	5	Yes	12	-	4	Sainik Finance & Industries Limited Sindhu Trade Links Limited
Mr. Kuldeep Singh Solanki	2	No	11	-	-	Sainik Finance & Industries Limited
Mr. Samai Singh	5	Yes	3	-	2	Sainik Finance & Industries Limited
Mrs. Renuka Hooda	5	Yes	2	2	-	Sainik Finance & Industries Limited

2.3 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 maximum tenure of Independent Directors is in accordance with the Act and the Listing Regulations.

The Company issues a formal letter of appointment to Independent Directors in the manner provided under the Act. As per regulation 46(2) of the Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website 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 29th day of March, 2019, 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 included:

- (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;

SAINIK FINANCE & INDUSTRIES LIMITED

- (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;
- 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 utilization 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.

SAINIK FINANCE & INDUSTRIES LIMITED

- 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.

Subsequent to end of the current year, the Audit Committee has been reconstituted by appointing Mr. Samai Singh, independent director as chairperson of the committee in place of Mrs. Renuka Hooda, independent director of the Company with effect from 12th August, 2019. As on date the **Audit Committee** comprise the following members:

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

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
23.05.2018	Yes	Yes	Yes
14.08.2018	Yes	Yes	Yes
14.11.2018	Yes	Yes	Yes
06.02.2019	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.
Ms. Pooja Bansal	Company Secretary	Compliance Officer

The Committee met 11 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
30.04.2018	Yes	Yes	Yes
02.06.2018	Yes	Yes	Yes
30.06.2018	Yes	Yes	Yes
27.07.2018	Yes	Yes	Yes
14.08.2018	Yes	Yes	Yes
29.09.2018	Yes	Yes	Yes
31.10.2018	Yes	Yes	Yes
28.11.2018	Yes	Yes	Yes
24.12.2018	Yes	Yes	Yes
06.02.2019	Yes	Yes	Yes
29.03.2019	Yes	Yes	Yes

SAINIK FINANCE & INDUSTRIES LIMITED

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

Sl. No.	Particulars	No.
1.	Number of shareholders complaints received from shareholders/ investors from April 01, 2018 to March 31, 2019 regarding non-receipt of dividend / interest warrants, non-receipt of shares sent for transfer, Annual Reports etc.	NIL
2.	Number of complaints attended	NIL
3.	Number of complaints pending	NIL

The details of transfer of shares during the year under review are summarized as under:

Sl. No.	Particulars	No.
1.	Number of request of Share Transfer received during the year under review.	37
2.	Number of Share Transfer request executed.	37
3.	Number of Share Transfer request rejected.	10
4.	Number of Shares for which above requests received.	11462
5.	Number of Shares for which requests approved.	8964
6.	Number of Shares for which requests rejected.	2498
7.	Number of Share Transfer request pending.	NIL
8.	Number of equity shares acquired by Promoters from off market in dematerialized form during the year under review.	539648

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

SAINIK FINANCE & INDUSTRIES LIMITED

The Committee met 2 times during the year under review. The following table summarizes 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
14.08.2018	Yes	Yes	Yes
29.03.2019	Yes	Yes	Yes

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of Company has at their meeting held on 23rd May, 2018, constituted Corporate Social Responsibility Committee comprising Sh. Rudra Sen Sindhu, Sh. Kuldeep Singh Solanki, Non- executive and Non- independent directors and Smt. Renuka Hooda, Independent Director of the Company. CSR Committee has in exercise of its authority and discharge of its responsibility, formulated a CSR Policy, which has been approved by the Board at their meeting 14th August, 2018 as the Corporate Social Responsibility Policy of the Company which has been placed at the company's website www.sainikfinance.com

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

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 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.

SAINIK FINANCE & INDUSTRIES LIMITED

- 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) Executive Chairman / Director /KMP- Criteria for selection / appointment

For the purpose of selection of the Executive Chairman / Director/KMP, 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 Executive Director /KMP at the time of appointment or re-appointment,

At the time of appointment or re-appointment, the 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 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 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 retrial benefits.

The remuneration for the KMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company, if appointed as per the HR policy of the Company and ratified by the Board.

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.

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

SAINIK FINANCE & INDUSTRIES LIMITED

7. GENERAL MEETINGS

Location and time of the last three Annual General Meetings:

Year	Date	Time	Location
2018	29th September, 2018	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi -110 070
2017	28th September, 2017	9.30 A.M.	Farm House of Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi -110 070
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

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, At AGM held on 28th September, 2017	1. Special resolution passed u/s 149 and 152 of the Companies Act, 2013 for appointment of Mr. Samai Singh as independent director for second term for five years. 2. Special resolution passed u/s 20 of the Companies Act, 2013 for prescribing, the manner of service of documents to the member by the Company.
2.	Whether any special resolutions passed last year through postal ballot.	No	N.A.
3.	Persons who conducted the postal ballot	N.A.	
4.	Procedure for postal ballot	N.A.	

8. DISCLOSURES

- a) Except as disclosed in annual report of the Company for the financial year ended on 31st March, 2019, 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 and Vigil Mechanism 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:
The Financial Express - English / and Dainik Haribhoomi - Vernacular language (Hindi) |
| c) | Any website where displayed | www.sainikfinance.com |

SAINIK FINANCE & INDUSTRIES LIMITED

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
g)	BSE Listing Centre (Listing Centre)	Listing Centre is a web-based application designed for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.
h)	SEBI Complaints Redress System (SCORES)	Investor complaints are processed at SEBI in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.

10. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	:	30 th September, 2019
Day	:	Monday
Time	:	9:30 A.M.
Venue	:	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
ISIN	:	INE584B01013

Financial Calendar (tentative) : Financial year – April 01, 2019– March 31, 2020

Quarterly results- For Quarter ending

30-06-2019	-	12 th August, 2019
30-09-2019	-	1 st / 2 nd week of November, 2019.
31-12-2019	-	1 st / 2 nd week of February, 2020
31-03-2020	-	3 rd /4 th week of May, 2020

Book closure

Monday, 23rd September, 2019 to Monday, 30th September, 2019, (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 2019-20.

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 2018-19 are as under:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2018	33.95	32.15	October, 2018	27.00	23.35
May, 2018	40.35	31.35	November, 2018	25.70	24.50
June, 2018	36.65	31.55	December, 2018	26.60	24.10
July, 2018	34.30	29.60	January, 2019	22.90	16.30
August, 2018	30.00	25.05	February, 2019	15.55	14.20
September, 2018	27.80	26.45	March, 2019	15.95	14.11

SAINIK FINANCE & INDUSTRIES LIMITED

Share Transfer system

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. During the year under review, 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 were processed by the Registrar and Transfer Agents and were approved by Stakeholders Relationship Committee. However, the SEBI has amended regulation 40 of the Listing Regulations, pursuant to which transfer of securities cannot be processed unless securities are held in dematerialised form (except transmission of securities or transposition of names) subsequent to 31 March 2019. Accordingly, the Company has sent letters to those members holding shares in physical form advising them to dematerialise their holding so that the shareholders may transfer their shares easily and eliminates possibility of loss of certificate.

Dematerialization of Shares and details thereof

The Company's Demat ISIN in NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited) is INE584B01013.

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 Company's RTA and get the shares dematerialized. As on 31st March, 2019, 9407381 Equity shares of the Company i.e. 86.46% of total paid up share capital are held in dematerialized form.

Disclosure in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a policy for Prevention of Sexual Harassment of Women at Workplace. During the financial year ended 31st March 2019, no complaint of sexual harassment has been received by the Company.

Disclosure with respect to demat suspense account/ unclaimed suspense account:

As the Company, does not have any demat suspense account/unclaimed suspense account, the disclosure with respect to the same is not required to be given.

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 : d.kataria@indusinvest.com

Website : 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

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:

Category wise Shareholding (in shares)	No. of Shareholders	% to Total Shareholders	Number of Share held	% to total share capital
Upto-500	2942	85.35	305633	2.81
501 - 1000	170	4.93	132085	1.21
1001 - 2000	97	2.81	157432	1.45
2001 - 5000	135	3.92	408239	3.75
5001- 10000	43	1.25	316528	2.91
10001-20000	18	0.52	268236	2.47
20001-30000	3	0.09	76200	0.70
30001-40000	6	0.17	210074	1.93
40001-50000	3	0.09	135866	1.25
50001-100000	11	0.32	728443	6.69
100001-500000	15	0.43	3164195	29.08
ABOVE 500000	4	0.12	4977069	45.75
Total	3447	100.00	10880000	100.00

SAINIK FINANCE & INDUSTRIES LIMITED

SHAREHOLDING DETAILS AS ON 31ST MARCH, 2019:

Category	No. of shares held	Percentage of shareholding
Promoters	71,00,758	65.26
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial institutions, Insurance Companies (Central / State Govt. Institutions/Non-govt. Institutions)	-	-
FII's	-	-
Private Bodies Corporate	20,61,262	18.95
Indian Public	16,84,874	15.49
NRIs	33,106	0.30
Clearing House	-	-
TOTAL	1,08,80,000	100.00

TOP 10 SHAREHOLDERS OF THE COMPANY AS ON 31ST MARCH, 2019:

Sr. No.	Name	Shares	Percentage
1.	Kuldeep Singh Solanki	22,33,070	20.52
2.	Rudra Sen Sindhu	10,63,923	9.78
3.	Sindhu Trade Links Limited	9,03,741	8.31
5.	Maneesha Finlease Limited	7,76,335	7.13
6.	Parmeshwari Devi	4,56,532	4.20
7.	Yuvraj Singh Solanki	4,32,833	3.98
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

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

CIN : L26912DL1991PLC045449

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

Corporate Office of the Company:

7th Floor, Office Tower, Ambience Mall,
NH-48, Gurugram-122002, Haryana

Tel.No : 0124-2719000

E-mail : legal.secreterial@sainikmining.com

Business Hours: 10:00 a.m. to 6:00 p.m. (Monday to 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: d.kataria@indusinvest.com

Website: www.indusinvest.com

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

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

Place : Gurugram
Dated : 12th August, 2019

Kuldeep Singh Solanki
Director
DIN: 00009212

Rudra Sen Sindhu
Director
DIN: 00006999

SAINIK FINANCE & INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Sainik Finance & Industries Limited (SFIL), a listed Company is engaged in the business of investment, finance and lending. It is non-deposit taking Non-Banking Financial Company registered with the Reserve Bank of India (RBI)

Industry and Economy overview

Financial Year 2018-19 began with an expectation of higher growth as the economy seemed to have overcome the teething troubles of the nation-wide roll out of the Goods and Services Tax (GST). However, a rise in the current account deficit (CAD), concerns relating to rising non-performing assets (NPAs) and decline in liquidity coupled with hardening interest rates contributed to uncertainties around a higher GDP growth rate.

The second advance estimates of national income for financial year 2019 released by the Central Statistics office (CSO) on 28th February, 2019 showed that the economy could not continue the expected growth momentum. GDP growth in the third quarter of financial year 2019 reduced to 6.6% after clocking 8% and 7% growth in the first and second quarter of financial year 2019 respectively. The CSO estimates GDP growth in financial year 2019 at 7% compared to 7.2% in financial year 2018.

Gross fixed capital formation (GFCF) provided a pleasant surprise, with the share of GFCF to GDP growing to 32.3% in financial year 2019 (second advance estimates) versus 31.4% in financial year 2018 (first revised estimates). However, it is perhaps too early to expect this recent uptick in the share of GFCF to GDP to provide a definite impetus to growth.

On the back of a widening trade deficit, the CAD increased to 2.6% of GDP during April-December 2018- up from 1.8% in April-December 2017. There was a net outflow of USD 17.5 billion of foreign currency reserves in April- December 2018 versus a net inflow of USD 30.3 billion over the same period a year earlier.

The good news was inflation. During second half of FY 2019, the consumer price index (CPI) steadfastly remained below the RBI's medium-term target of 4%, reaching a 19 month low of 1.9% in January 2019. It picked up marginally in February to 2.6 %, albeit supported by a weak base and uptick in prices of some food categories. The RBI has projected headline inflation to remain soft in the near term: 2.4% in Q4 of financial year 2019, 2.9% to 3% in Q1 of FY 2020, and 3.5% to 3.8% in Q2 of FY 2020.

Clearly, at this point, the RBI does not see inflation as a material risk. This has been underscored by the majority of the members of the RBI's Monetary Policy Committee (MPC) - when they recommended two successive cuts of 25 bps each in the policy rates and also maintained a neutral monetary stance.

While gross NPAs of scheduled commercial banks decline from 11.5% in March 2018 to 10.8% in September 2018, thus putting out hope of an orderly resolution, the Supreme Court intervened and created uncertainties. Its recent decision, setting aside the RBI's circular of 12 February 2018 to replace several existing restructuring schemes by a formal process under the Indian Bankruptcy Code, has resulted in considerable ambiguity regarding NPA resolutions. The RBI has issued a statement that it will take necessary steps, including issuing a revised circular, as may be necessary, for expeditious and effective resolution of stressed assets. Until such a circular is issued, the classification of NPAs and provisioning requirements would be left to individual banks - thus accentuating an already deep malaise.

NBFC's continued to grow their share in the financial services industry. Data published by RBI in its Financial Stability Report dated 31st December, 2018 show that NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future.

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 also 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 financial year 2018-19. 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 -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

SAINIK FINANCE & INDUSTRIES LIMITED

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

As an NBFC, SFIL is exposed to credit, liquidity and interest rate risk. It has continued to invest in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. 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

i) Share Capital

The Authorised share capital of the Company is Rs.11,00,00,000/- (Rupees Eleven Crores Only) divided into 11000000 Equity shares of Rs.10/-each. Issued, Subscribed and Paid up share capital of the Company is Rs.10,88,00,000/- (Rupees Ten Crores Eighty Eight Lakhs Only) divided into 10880000 Equity Shares of Rs.10/-each fully paid up.

ii) Net Worth

The Net worth of the Company has been increased to Rs. 42.47 Crores during the current year as compared to Rs.37.05 Crores during the previous year.

iii) Total Income

During the year under review the total income of the Company was Rs 29.79 Crores as compared to Rs.25.76 Crores during the previous year.

iv) Other Income

During the year under review other income of the Company was Rs.0.19 Crores as compared to Rs.0.11 Crores during the previous year.

v) Interest and Finance Charges

During the year under review total interest and finance charges were Rs.21.05 Crores as compared to Rs.18.22 Crores during the previous year.

vi) Tax Expense

During the year under review tax expenses were Rs.2.02 Crores as compared to Rs.1.67 Crores during the previous year.

vii) RBI Guidelines

The Company has complied with all the applicable rules and regulations of the Reserve Bank of India.

viii) 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.

ix) Performance During the year

During the year under review, the Company earned profit (before tax) of Rs.7.44 Crores as compared to Rs.6.62 Crores during the previous year.

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

Place : Gurugram
Dated : 12th August, 2019

Kuldeep Singh Solanki
Director
DIN: 00009212

Rudra Sen Sindhu
Director
DIN: 00006999

SAINIK FINANCE & INDUSTRIES LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE:

To

The members

Sainik Finance & Industries Limited

1. The Corporate Governance Report prepared by Sainik Finance & Industries Limited (hereinafter referred as to the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended 31 March 2019. This report is required by the Company to be annexed with the Directors' Report, in terms of Para E of Schedule V to the aforesaid Listing Regulations, for further being sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on 31 March 2019 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following meetings held between 1 April 2018 to 31 March 2019;
 - a. Board of Directors meetings;
 - b. Audit committee meetings;
 - c. Nomination and remuneration committee meetings;
 - d. Stakeholders Relationship committee meetings
 - e. Corporate Social Responsibility Committee Meeting ; and
 - f. Annual General meeting;

SAINIK FINANCE & INDUSTRIES LIMITED

- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

- 9. This report 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.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Nagar Goel & Chawla**
Chartered Accountants
ICAI Firm Registration No. 009933N

Dharmender Singhal
Partner
M. No. 515984
UDIN 19515984AAAACZ6579

Place : New Delhi
Dated : 12th August, 2019

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

To
The Board of Directors
Sainik Finance & Industries Limited

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 hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'Code of Conduct' and 'Our Code' in respect of the Financial Year 2018-19.

Place : Gurugram
Dated: 12th August, 2019

Akash Shrivastava
Chief Executive Officer

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE-D

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
**The Members of
Sainik Finance & Industries Limited
129, Transport Centre, Rohtak Road,
Punjabi Bagh, New Delhi- 110035**

1. That Sainik Finance & Industries Limited (**CIN. L26912DL1991PLC045449**) is having registered office at 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi - 110035 (hereinafter referred to as 'the Company'). The equity shares of the Company are listed on BSE Limited.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. As on 31st March, 2019, the Board of Directors of the Company comprises of the following directors:

Sl. No.	Name of Director	DIN	Date of appointment in the Company
1.	Rudra Sen Sindhu	00006999	22/08/1991
2.	Kuldeep Singh Solanki	00009212	27/03/1997
3.	Samai Singh	00235036	28/09/2017
4.	Renuka Hooda	03611979	30/09/2015

4. Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal (www.mca.gov.in), we certify as under:
 - None of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31st March, 2019.
5. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This certificate is based on the information and records available up to date of this certificate and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

**For S. S. Bhati & Associates
Company Secretaries**

Place: Delhi
Date: 12th August, 2019

Satyapal Singh Bhati
Proprietor
FCS No. 8252, C.P. No. 9387

SAINIK FINANCE & INDUSTRIES LIMITED

CEO/CFO Certification

The Board of Directors

Sainik Finance & Industries Limited

1. We have reviewed financial statements and the cash flow statement of Sainik Finance & Industries Limited for the financial year ended on 31st March, 2019 and certify that these statements, to the best of our knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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.
3. 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. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
 - i) There are no significant changes in internal control over financial reporting during the year;
 - ii) There are no significant changes in accounting policies during the year; and
 - iii) There are no instances of significant fraud of which we have become aware.

For and on behalf of the Company

For SAINIK FINANCE & INDUSTRIES LIMITED

Place : Gurugram
Dated: 12th August, 2019

Akash Shrivastava
Chief Executive Officer

Jagdish Chandra
Chief Financial Officer

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE-E

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

a) Introduction

The Corporate Social Responsibility (CSR) activities of Sainik Finance & Industries Limited ("SFIL" or "the Company") are guided by the vision and philosophy of its Promoters. They believe SFIL does not grow by making financial profits only, it grows if it contributes consistently for the growth of the society and environment to which they belong. The Company strongly believes in the theory of participative growth, enhancing societal /environment commitments. Corporate Social Responsibility (CSR) is a tool which can be used for sustainable development. SFIL recognizes this and intends to contribute to the social cause by making donations towards various charitable activities and supporting rural development and education initiatives by financing various activities like building of educational institutions, repair and maintenance of roads, installation of hand pumps and other accessories in villages etc. The Company being a corporate entity falling within the purview of Section 135 of the Act read with CSR Rules made thereunder. The CSR Committee constituted by the Board of Directors of the Company ("Board"), has in exercise of its authority and discharge of its responsibility, formulated a CSR Policy, which has been approved by the Board as the Corporate Social Responsibility Policy of the Company.

The Company addresses the needs of communities in the areas of health, education, environment conservation, infrastructure and community development and response to natural calamities. The Company intended to fine tune its activities around the activities specified in schedule VII of the Companies Act, 2013.

b) Guiding Principles

Sainik Finance & Industries Limited believes that social investments should:

- i) Benefit Generations: The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society for long periods.
- ii) Promote Health: The Company believes that good health is pre-requisite for both education and productivity.
- iii) Encourage for Self-help: To guide and do hand-holding for self-help, individually and collectively, to create excellence for self and for the team.
- iv) Target those who need it most: Care for the sections of the society that are socially and economically at the lowest rung irrespective of their religion or caste or language or colour.
- v) Sustain Natural Resources: The Company encourages balanced development and ensure least adverse impact on environment- 'Growth with Mother Nature blessings'

c) CSR Policy

A detailed CSR policy was framed by the Company with approvals of the Corporate Social Responsibility Committee (CSR Committee). Such policy has been approved by the Board at their Board meeting held on 14th August 2018. CSR policy gives an overview of the projects or programs or activities which are proposed to be undertaken by the Company in the coming years. The CSR policy is placed on the Company's website www.sainikfinance.com

2. The Composition of the CSR Committee:

A committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board at its meeting held on 23rd May, 2018 with the following members:

SAINIK FINANCE & INDUSTRIES LIMITED

- Sh. Rudra Sen Sindhu, Chairman
- Sh. Kuldeep Singh Solanki, Member
- Smt. Renuka Hooda, Member (Independent Director)

During Financial Year ended 31st March, 2019, the Committee met once on 14th August, 2018.

3. Average net profit of the Company for the last three financial years prior to FY 2019:

Rs. 3,97,93,407/-

4. Prescribed CSR Expenditure (2% of the amount as in item no. 3 above): Rs.7,95,868/-

5. Details of CSR spent during the financial year:

S. No.	Particulars	Rs.(in lakhs)
a)	Total amount to be spent	7.96
b)	Amount spent	8.00
c)	Amount unspent, if any (A-B)	NIL
d)	Manner in which the amount spent in detailed below: Amount of Rs.8.00 Lakhs- has been contributed to non-profit making organizations for promoting health care including preventive health care and sanitation and making available safe drinking water and setting up hostels for woman etc.	

6. In case the Company fails to spend the 2% of the average net profit of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board Report

Not applicable since 2% of the average net profit of the last 3 financial years has been spent as above.

7. The Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company duly signed by Director and Chairperson of the CSR Committee

The Committee confirms that the implementation and monitoring of the CSR policy is in compliance with CSR objective and policy of the Company.

Rudra Sen Sindhu
Chairman of the Committee

Kuldeep Singh Solanki
Member

Date : 12th August, 2019

Place : Gurugram

SAINIK FINANCE & INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Sainik Finance & Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sainik Finance & Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standard) Rules, 2006, as amended ("Accounting standard") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.	Key Audit matter	Auditors' Response
1.	<p>Identification of Non-Performing assets (loans) in accordance with Reserve Bank of India ("the RBI") guidelines</p> <p>The company has given loans and advances amounting Rs.2,46,60,23,723/- as at 31st March 2019. Identification of non-performing (loans and advances) in accordance with relevant Prudential Regulation issued by the RBI in respect of asset classification pertaining to loans and advances (herein after referred as "Relevant RBI Guidelines") is a key audit matter due to the current processes at the company which requires manual interventions, management estimates and judgement and level of regulatory and other stakeholder focus.</p> <p>Accordingly, our audit was focused on asset classification pertaining to advances due to materiality of the balances.</p>	<p>Our audit approach includes testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of asset classification pertaining to loans and advances.</p> <p>In particular:</p> <ul style="list-style-type: none">• We have evaluated the company internal control system in adhering to the relevant RBI guidelines regarding assets classification pertaining to loans and advances.• We have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to monthly monitoring of overdue positions by business and finance team.• We have test checked loans and advances to examine the validity of the recorded amount, loan documentations, examined the manual statements of accounts, indicators of impairment and compliance with asset classification pertaining to loans and advances.• Evaluated the management judgment, process and review controls over asset classification and discussed the asset classification with senior management including the Chief Executive Officer and Chief Financial Officer.

Information other than the Financial Statements and Auditors' Report thereon

- The Company's Board of Directors is responsible for the preparation of other information which comprises the Director's Report including annexures to Director's Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.

SAINIK FINANCE & INDUSTRIES LIMITED

- Our opinion on the financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.
- Based on the work we have performed, if we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

Responsibility of Management for 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

SAINIK FINANCE & INDUSTRIES LIMITED

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on other legal and regulatory requirements

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.

As required by Section 143 (3) of the Act, we report, to the extent applicable, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and accordingly to the explanations given to us, no remuneration has been paid by the company to its directors during the year.

- h) 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. There is no pending litigation which would have its impact on financial statement of the Company.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **NAGAR GOEL & CHAWLA**
Chartered Accountants
ICAI Firm Registration No. : 009933N

Place : New Delhi
Dated : 27th May 2019

Dharmender Singhal
Partner
Membership No. : 515984

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE (A)

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAINIK FINANCE & INDUSTRIES LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March, 2019, we report that:

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified 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 material discrepancies were noticed during physical verification of fixed assets (property, plant and equipment).
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the management has conducted physically verification in respect of finished goods at reasonable intervals. No material discrepancies were noticed during physical verification of inventories as compared to book records.
- (iii) In our opinion and according to the information and explanations provided to us, the Company has granted loans to a Company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the 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) In our opinion and according to the information and explanations provided to us, the Company did not make any investment as per provisions of section 186(1) of the Act. Further, the Company is exempted from compliance of section 185 and 186 (except sub-section "1" of Section 186) of the Act.
- (v) According to the information and explanations provided to us, the Company has not accepted any deposits from the public. Accordingly, the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder in this regard, are not applicable.
- (vi) According to the information and explanations provided to us, the Central Government has not specified for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the activities carried on by the Company. Hence, the provisions of paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues;
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing with appropriate authorities undisputed

SAINIK FINANCE & INDUSTRIES LIMITED

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, goods and service tax and other material statutory dues, as applicable.

Further, there are no undisputed amounts payable outstanding as at 31 March, 2019 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not raised loan or borrowings from banks, financial institutions, and Government or debenture holders during the year under audit and therefore paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations provided to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and not availed the facility of term loans during the year under audit and therefore paragraph 3(ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud on or by the company or any fraud by its officers or employees was noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no managerial remuneration has been paid or provided during the year under audit. Accordingly, paragraph 3(xi) of the Order is not applicable on the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, the company has registered under section 45-IA of the Reserve Bank of India Act, 1934

For **NAGAR GOEL & CHAWLA**
Chartered Accountants
ICAI Firm Registration No. : 009933N

Place : New Delhi
Dated : 27th May 2019

Dharmender Singhal
Partner
Membership No. : 515984

SAINIK FINANCE & INDUSTRIES LIMITED

ANNEXURE- (B)

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAINIK FINANCE & INDUSTRIES LIMITED

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 of **Sainik Finance & Industries Limited** ("the Company") as of March 31, 2019 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

SAINIK FINANCE & INDUSTRIES LIMITED

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;
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, 2019, 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 **NAGAR GOEL & CHAWLA**
Chartered Accountants
ICAI Firm Registration No. : 009933N

Place : New Delhi
Dated: 27th May 2019

Dharmender Singhal
Partner
Membership No. : 515984

SAINIK FINANCE & INDUSTRIES LIMITED

NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

To
Board of Directors
M/s Sainik Finance & Industries Limited
129, Transport Centre, Rohtak Road,
Punjabi Bagh, New Delhi - 110 035

Dear Sir,

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions 2016", issued by Reserve Bank of India (RBI), on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, we report that:

1. The company is engaged in the business of Non-banking financial institution and has obtained certificate of registration from RBI, as a Non-banking financial company, without accepting public deposit, vide Certificate of Registration (COR) no. N.14.02967.
2. Company meeting the 50% income/assets criteria is eligible to hold certificate of registration but on verification of accounts and on basis of our judgment, we report that the company under reporting has maintained more than 50% of assets as financial assets and fulfill the income criteria as on 31st March, 2019.
3. The Company is meeting the requirement of net owned funds applicable to a Non-Banking Financial Companies as laid down in Master Direction - Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
4. A resolution for non-acceptance of any public deposit was passed in the meeting of the board of directors.
5. The company has not accepted any public deposit during the year ended 31st March, 2019.
6. In our opinion and to the best of our information and according to the explanation given to us, the company has complied with the prudential norms related to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts, as applicable to it, in terms of non-financial (Non deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
7. As per the information and according to the explanation given to us and based on our audit, the Company does not meet the eligibility criteria to be a Systematically Important Non-Deposit taking NBFC as defined in Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; and therefore
 - (a) The company is not required to compute capital adequacy ratio in form NBS-7.
 - (b) The company is not required to furnish to reserve bank of India the annual statement of capital funds, risk assets/ exposures and risk assets ratio (NBS-7).
8. As per the information and according to the explanation given to us and based on our audit, the Company does not cover under NBFC Micro Finance Institutions (MFI) as defined in the Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

For **NAGAR GOEL & CHAWLA**
Chartered Accountants
ICAI Firm Registration No. : 009933N

Place : New Delhi
Dated: 27th May 2019

Dharmender Singhal
Partner
Membership No. : 515984

SAINIK FINANCE & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	NOTE NO.	AS AT 31ST, MARCH 2019 (₹)	AS AT 31ST, MARCH 2018 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share capital	3	108,800,000	108,800,000
Surplus	4	315,914,576	261,699,642
		424,714,576	370,499,642
Non- current liabilities			
Deferred tax liabilities (net)	5	-	663,800
Other long term liabilities	6	-	1,500,000
Long-term provisions	7	12,803,347	13,431,953
		12,803,347	15,595,753
Current liabilities			
Short term borrowings	8	2,094,725,327	1,805,541,113
Trade payables			
(a) total outstanding dues of micro and small enterprises	9	-	-
(b) total outstanding dues of creditors other than micro and small enterprises	9	491,527	610,958
Other current liabilities	10	207,421,135	78,313,979
Short term provisions	7	-	653,510
		2,302,637,989	1,885,119,560
Total		2,740,155,912	2,271,214,955
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment			
- Tangible assets	11	2,799,398	6,330,780
- Intangible assets		-	-
- Intangible assets under development		-	-
Deferred tax assets (net)	12	160,758	-
Long-term loans and advances	13	20,953,529	11,777,474
		23,913,685	18,108,254
Current assets			
Investments	14	32,527	37,476
Inventories	15	3,200	3,200
Trade receivables	16	-	767,564
Cash and cash equivalents	17	6,682,537	1,510,992
Short-term loans and advances	13	2,463,197,312	2,125,829,235
Other current assets	18	246,326,651	124,958,234
		2,716,242,227	2,253,106,701
Total		2,740,155,912	2,271,214,955
Significant accounting policies and notes to accounts 1-37			

As per our report of even date
For **Nagar Goel & Chawla**
Chartered Accountants
ICAI Firm Registration No. : 009933N

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

Dharmender Singhal
Partner
Membership No. 515984

Rudra Sen Sindhu
Director
DIN-00006999

Kuldeep Singh Solanki
Director
DIN-00009212

Place : New Delhi
Dated : 27th May, 2019

Akash Shrivastava
Chief Executive Officer
PAN-BAYPS2407Q

Kunal Gupta
Company Secretary
PAN-ATCPG6054B

Jagdish Chandra
Chief Financial Officer
PAN-AAJPU3255G

SAINIK FINANCE & INDUSTRIES LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	NOTE NO.	YEAR ENDED 31ST, MARCH, 2019(₹)	YEAR ENDED 31ST MARCH, 2018(₹)
INCOME			
I Revenue from operations	19	296,029,545	256,428,297
II Other income	20	1,960,215	1,149,567
III Total revenue (I+II)		297,989,760	257,577,864
IV Expense			
Changes in inventories of finished goods, work-in- progress and Stock-in- trade	21	-	-
Employee benefits expense	22	3,552,225	4,305,031
Finance costs	23	210,555,522	182,166,176
Depreciation and amortization expense	24	87,477	89,839
Other expense	25	9,352,767	4,823,890
Total expense		223,547,991	191,384,936
V Profit before exceptional and extraordinary items and tax (III-IV)		74,441,769	66,192,928
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V-VI)		74,441,769	66,192,928
VIII Extraordinary items		-	-
IX Profit before tax (VII-VIII)		74,441,769	66,192,928
X Tax expense:			
(1) Current tax		21,019,663	18,244,750
(2) Deferred tax assets		(824,558)	(1,541,690)
		20,195,105	16,703,060
XI Profit for the period (IX-X)		54,246,664	49,489,868
XII Earnings per equity share:			
Basic and diluted earning per share (in Rs.)		4.99	4.55
[face value of Rs. 10 each]			

See accompanying notes to the financial statements 1-37

As per our report of even date
For **Nagar Goel & Chawla**
Chartered Accountants
ICAI Firm Registration No. : 009933N

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

Dharmender Singhal
Partner
Membership No. 515984

Rudra Sen Sindhu
Director
DIN-00006999

Kuldeep Singh Solanki
Director
DIN-00009212

Place : New Delhi
Dated : 27th May, 2019

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PAN-ATCPG6054B

Jagdish Chandra
Chief Financial Officer
PAN-AAJPU3255G

SAINIK FINANCE & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	YEAR ENDED 31ST, MARCH, 2019(₹)	YEAR ENDED 31ST MARCH, 2018(₹)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	74,441,769	66,192,928
Adjustments for :-		
Depreciation and amortisation	87,477	89,839
Loss on Sale of Fixed assets	1,943,904	
Bad debt written off (net)	1,428	385,990
Provision written back	(1,928,459)	-
Investment Adjustment	4,949	-
Provision made Standard and Sub-Standard Assets	1,155,047	(626,694)
Profit on sale of assets	-	-
Operating profit before working capital changes-	75,706,115	66,042,063
Adjustments for :-		
Increase in short-term loans and advances	(337,368,077)	(293,084,453)
Decrease/(increase) in other current assets	(121,368,417)	(75,102,842)
Decrease in inventories	-	1,591
Increase/Decrease in Longterm loan & Advances	(662,387)	
Decrease in Long term Liabilities	(508,704)	
Decrease in trade payables & other liabilities	128,987,725	26,501,211
Decrease in trade receivables	766,137	83,132
Cash used in operations-	(254,447,609)	(275,559,298)
Income tax refund	60,060	-
Income tax paid	(29,649,419)	(28,880,225)
Net cash used in operating activities (A)	(284,036,968)	(304,439,523)
B) Cash flow from investing activities:		
Purchase of property, plant and equipment	-	(30,186)
Proceeds from property, plant and equipment	-	-
Purchase of long-term investments	-	-
Proceeds in loan and advances	-	(2,574,896)
Net cash from / (used in) investing activities (B)	-	(2,605,082)
C) Cash flow from financing activities:		
Proceeds from intercorporate deposits	289,208,513	299,583,877
Net cash from financing activities (C)	289,208,513	299,583,877
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	5,171,545	(7,460,728)
Cash and cash equivalents as at the beginning of the year (refer note no. 15)	1,510,992	8,971,720
Cash and cash equivalents as at the end of the year (refer note no. 15)		
- Cash and cash equivalents	6,682,537	1,510,992
	6,682,537	1,510,992

As per our report of even date
For **Nagar Goel & Chawla**
Chartered Accountants
ICAI Firm Registration No. : 009933N

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

Dharmender Singhal
Partner
Membership No. 515984

Rudra Sen Sindhu
Director
DIN-00006999

Kuldeep Singh Solanki
Director
DIN-00009212

Place : New Delhi
Dated : 27th May, 2019

Akash Shrivastava
Chief Executive Officer
PAN-BAYPS2407Q

Kunal Gupta
Company Secretary
PAN-ATCPG6054B

Jagdish Chandra
Chief Financial Officer
PAN-AAJPU3255G

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. Background

The Company was incorporated on 22nd August 1991 with Registrar of Companies, NCT Delhi and Haryana (ROC) in the name of Garuda Clays Limited. Later on Ramanuj Leasing Limited which was incorporated on 2nd January 1985 with the object to carry on leasing & finance activities, was merged with Garuda Clays Limited by order of the Hon'ble High Court of Delhi dated 1st November 1999 and the said order was filed with ROC on 4th December 2000. The name of Garuda Clays Limited was changed to the present name i.e. Sainik Finance & Industries Limited.

The Company was earlier 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 and Pre-stressed Poles were discontinued in July, 2012. The Company disposed-off the Plant & machinery and factory structure during the previous years.

The Company is presently engaged in non-banking finance activities and is registered with Reserve Bank of India as Non-Banking Finance Company (NBFC). The Reserve Bank of India has issued its Certificate of Registration No. N.14.02967 dated 3rd September 2003.

2. Significant Accounting Policies

A. Basis of accounting and preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) rules, 2014, provisions of the Companies Act, 2013 (to the extent notified) 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. The financial statements are presented in Indian rupees.

B. Use of estimates

The preparation of financial statements is in conformity with the Generally Accepted Accounting Principles ('GAAP') requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. Current/ Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

D. 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 (AS-19) 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.
- v) Interest income on fixed deposits is recognised on time proportion basis.

E. 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 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.

F. Property, Plant and Equipment

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Leasehold improvements

Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortised over the period of lease.

Depreciation and amortization

Depreciation / amortisation are provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the 2013 Act have been considered as useful life for tangible assets. Acquired intangible assets are amortised over a period as per management estimates of their useful life. Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Gains / losses on disposal of assets

Losses arising from retirement or gains or losses arising from disposal of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

G. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Noncurrent investments.

Current Investments are accounted for and valued as per Accounting Standard(AS) 13-'Accounting for investments' and in accordance with the RBI Guidelines, are stated at the lower of cost and fair value, by category of investments.

Non -Current Investments are accounted for and valued as per Accounting Standard(AS) 13-'Accounting for investments' are stated at the cost except where there is a diminution other than a temporary, for which provision is required.

Profit or loss on sale of investments is determined on a first in first out basis. Any reduction in the carrying amount and other reversals of such reductions are charged or credited to Statement of Profit and Loss.

H. Loans

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date. Loans are classified as performing and non performing advances (NPAs) based on RBI Guidelines. NPAs are classified into sub-standard, doubtful and loss assets, as required by the RBI guidelines. Interest on NPAs is not recognized in the statement of profit and loss until recovered.

I. Provisioning/ Write-off on assets

Provisioning/ Write-off on overdue assets

The provisioning / write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Master Direction-Non Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

Provision on standard assets

Provision on standard assets has been made @ 0.25% which is in accordance with Reserve Bank of India ('RBI') guidelines.

J. Earnings 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.

K. Taxes on income

Income tax expense comprises current tax including minimum alternate tax ('MAT')(i.e. amount of tax for the period determined in accordance with the Income tax Act,1961) and deferred tax charge or credit(reflecting the tax effects of timing differences between accounting income and taxable income for the year).

i) **Current tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- ii) **Minimum alternative tax** : MAT paid in accordance to the tax laws, which give rise to the future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax and is recognised as tax credit in Statement of Profit And Loss.
- 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.

L. 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.

M. Finance costs

Finance costs consist of interest and other cost that an entity incurs in connection with borrowing of funds. Borrowing costs are recognized as an expense in the period in which these are incurred.

N. Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

O. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3. SHARE CAPITAL

(All amount in ₹)

	As at 31st March 2019	As at 31st March 2018
Authorised Share Capital		
110,00,000 Equity Shares face value of Rs. 10/- each (Previous year 110,00,000 equity shares)	<u>110,000,000</u>	<u>110,000,000</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
108,80,000 Equity Shares of face value Rs. 10/- each fully paid up (Previous year 108,80,000 equity shares)	<u>108,800,000</u>	<u>108,800,000</u>
TOTAL	<u>108,800,000</u>	<u>108,800,000</u>

a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the Commencement and at the end of the year	10,880,000	108,800,000	10,880,000	108,800,000

b) Terms/rights attached to equity shares

The Company has only one class of equity shares, having a par value of Rs.10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is eligible to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) The details of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	(%)	No. of Shares	(%)
Kuldeep Singh Solanki	2,233,070	20.52%	1,963,246	18.04%
Rudra Sen Sindhu	1,063,923	9.78%	794,099	7.30%
Sindhu Trade Links Limited	903,741	8.31%	1,173,565	10.79%
Maneesha Finlease Limited	776,335	7.14%	1,046,159	9.62%
Total	4,977,069	45.75%	4,977,069	45.75%

4. RESERVES & SURPLUS

	As at 31st March 2019	As at 31st March 2018
General Reserve		
Balance as per last year	7,191,579	7,191,579
Reserve Fund		
Balance as per last year	65,020,393	55,122,419
Add : Transferred from profit and loss account	<u>10,849,333</u>	<u>9,897,974</u>
Surplus in the statement of profit and loss account		
Balance as per last year	149,472,670	109,880,776
Add : Profit for the year	54,246,664	49,489,868
Add : Provision for bad & doubtful debts written back	-	-
Add : Provision for standard assets written back	-	-
	<u>203,719,335</u>	<u>159,370,644</u>
Less : Appropriations -		
Transfer to reserve fund (Pursuant to RBI norms)	10,849,333	9,897,974
Demand/(excess) provision of income tax for earlier years	<u>31,731</u>	-
	192,838,271	149,472,670
Securities Premium Reserve		
Balance as per last year	<u>40,015,000</u>	40,015,000
	<u>315,914,576</u>	<u>261,699,642</u>

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

5 DEFERRED TAX LIABILITY (Net) (All amount in ₹)

	As at 31st March 2019	As at 31st March 2018
Deferred tax liability on account of :		
- Related to property, plant and equipment	-	1,232,981
Deferred tax asset on account of :		
- Related to gratuity	-	569,181
Net deferred tax liability	-	663,800

6 OTHER LONG TERM LIABILITIES

	As at 31st March 2019	As at 31st March 2018
Lease Security Deposit	-	1,500,000
	-	1,500,000

7 PROVISIONS

	Long-Term		Short-Term	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
<u>For Reserve Bank of India</u>				
<u>(pursuant to RBI norms)</u>				
Sub-standard, Bad & Doubtful Assets (NPA)	4,473,810	6,402,269	-	-
Standard assets 0.25% (previous year 0.25%)	6,772,249	5,617,202	-	-
<u>Provision for employee benefits</u>				
For gratuity	1,557,288	1,412,482	-	653,510
	12,803,347	13,431,953	-	653,510

7.1 Upto the financial year ended 31.03.2018, the company has made provision for non-performing assets of Rs. 64,02,269/- under RBI Act 1949. The company has reverse the provision by Rs.19,28,459/- for non-performing assets in the financial year ended 31.03.2019

7.2 Upto the financial year ended 31.03.2018, the company has made provision for standard assets of Rs. 56,17,202/- under RBI Act 1949. The company has made further provision of Rs. 11,55,047/- for standard assets in the financial year ended 31.03.2019.

7.3 Upto the financial year ended 31.03.2018, the company has made provision for gratuity of Rs. 20,65,992/- under the payment of Gratuity Act, 1972. The company has made further provision of Rs. 1,44,806/- for gratuity in the financial year ended 31.03.2019.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

8 SHORT TERM BORROWINGS

(All amount in ₹)

	As at 31st March 2019	As at 31st March 2018
Unsecured		
From related parties		
Inter corporate deposits (refer note no. 31)	8,545,866	7,650,731
From others		
Inter corporate deposits	2,086,179,461	1,797,890,382
	2,094,725,327	1,805,541,113

9 TRADE PAYABLES

	As at 31st March 2019	As at 31st March 2018
Outstanding to micro, small and medium enterprises*	-	-
Others	491,527	610,958
	491,527	610,958

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Further, the Company has not received any claim for interest from any supplier under the said Act.

10 OTHER CURRENT LIABILITIES

	As at 31st March 2019	As at 31st March 2018
Interest accrued and due on borrowings	185,944,965	59,484,214
Statutory dues	20,792,115	18,335,962
Expenses payable	684,055	493,803
	207,421,135	78,313,979

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

11 PROPERTY, PLANT AND EQUIPMENTS

PARTICULARS	Useful Life (in Years)	GROSS BLOCK		DEPRECIATION BLOCK		LEASE ADJUSTMENT BLOCK		NET BLOCK		
		As at 01st April, 2018	Addition During the Year	Sale/Adjustment during the year	As at 31st March, 2019	As at 01st April, 2018	For the year	Sale/Adjustment during the year	As at 31st March, 2019	As at 31st March, 2018
Tangible assets										
Finance division										
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/Motorcycle	10	62,875	-	62,875	62,875	-	-	-	-	-
Office equipments	5	1,107,790	-	1,107,790	1,107,790	-	-	-	-	-
Computer	3	287,248	-	287,248	265,964	15,975	-	-	5,309	21,284
Furniture & fixture	10	534,066	-	534,066	534,066	-	-	-	-	-
Manufacturing division										
Land		1,603,360	-	1,603,360	-	-	-	-	1,603,360	1,603,360
Building	30	1,917,204	-	1,917,204	687,934	60,775	-	-	1,168,495	1,229,270
Car/Jeep	8	501,669	-	501,669	501,669	-	-	-	4,150	10,325
Furniture & fixture	10	1,413,749	-	1,413,749	1,403,424	6,175	-	-	18,085	22,637
Office equipments	5	221,762	-	221,762	199,125	4,552	-	-	-	-
Computer	3	210,322	-	210,322	210,322	-	-	-	-	-
Current Year		13,751,045	- 5,300,000	8,451,045	10,698,889	87,477 5,134,720	5,651,646	(3,278,624)	-	2,799,398 6,330,780
Previous Year		13,720,859	30,186	13,751,045	10,609,050	89,839	-	(3,278,624)	-	6,330,780 6,390,433

11.1 Assets on lease have been classified as 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, 2019

12 DEFERRED TAX ASSETS (NET)

(All amount in ₹)

	As at 31st March 2019	As at 31st March 2018
Deferred tax liability on account of :		
- Related to property, plant and equipment	268,275	-
Deferred tax asset on account of :		
- Related to gratuity	429,033	-
Net deferred tax liability	160,758	-

13 LOANS & ADVANCES

(Unsecured Considered Good, unless otherwise stated)

	Long-Term		Short-Term	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
From related parties				
Corporate loan/Inter corporate deposit's (refer note no. 31)	-	-	167,528,383	147,934,553
From others				
Corporate loan/Inter corporate deposit's	-	-	2,266,556,000	1,956,517,383
Other loans and advances				
Advance tax & TDS	17,459,637	8,945,969	-	-
Security deposits	236,879	840,292	-	-
Balances with government authorities	-	-	407,602	263,170
Other advances recoverable	-	-	23,000	23,000
Trade advances	3,685,450	2,419,650	29,890,689	22,087,573
Less : Unmatured interest	428,437	428,437	1,208,362	996,444
	20,953,529	11,777,474	2,463,197,312	2,125,829,235

14 INVESTMENTS

	As at 31st March 2019	As at 31st March 2018
At cost or market price whichever is lower (refer note no.29)		
<u>Quoted</u>		
Equity Shares	12,372	17,321
<u>Un-quoted</u>		
Equity Shares	20,155	20,155
	32,527	37,476

15 INVENTORIES

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

	As at 31st March 2019	As at 31st March 2018
Finished goods	3,200	3,200
(At cost or market price whichever is lower)	3,200	3,200

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

16 TRADE RECEIVABLES

(Unsecured considered good, unless otherwise stated)

(All amount in ₹)

	As at 31st March 2019	As at 31st March 2018
Hypothecation Money Receivable		
Outstanding for a period exceeding 6 month	-	680,855
Other Debts	-	-
	-	680,855
Less: Unmatured Finance Charges (NPA)	-	-
	-	680,855
Cement Receivable		
Outstanding for a period exceeding 6 month	-	86,709
Other Debts	-	-
	-	86,709
	-	767,564

17 CASH AND CASH EQUIVALENTS

	As at 31st March 2019	As at 31st March 2018
Cash balance on hand#	98,952	121,516
Balances with banks		
- in Current account	2,548,911	1,389,476
- in Term Deposits	3,034,674	-
Cheques in hand	1,000,000	-
	6,682,537	1,510,992

Cash Balance on hand including imprest with employee

18 OTHER CURRENT ASSETS

	As at 31st March 2019	As at 31st March 2018
Interest accrued and due	174,443,164	77,979,063
Interest accrued but not due	71,883,487	46,979,171
	246,326,651	124,958,234

19 REVENUE FROM OPERATIONS

	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest & finance charges		
Interest income	296,029,545	256,428,297
	296,029,545	256,428,297

20 OTHER INCOME

	For the year ended 31st March 2019	For the year ended 31st March 2018
Miscellaneous receipts	-	100,831
Sale of scrap	31,756	97,287
Reversal of provision for Bad & Doubtful debts	1,928,459	-
Reversal of provision for standard asset	-	951,449
	1,960,215	1,149,567

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amount in ₹)

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

	For the year ended 31st March 2019	For the year ended 31st March 2018
Finished & Semi Finished Goods		
A. Opening Stock		
Finished Goods	3,200	3,200
Semi-Finished Goods	-	-
	3,200	3,200
Add : Purchased during the year	-	-
	3,200	3,200
B. Less : Closing Stock		
Finished Goods	3,200	3,200
	3,200	3,200
	-	-
(Increase)/decrease in stocks	-	-

22 EMPLOYEE BENEFITS EXPENSE

Salary, wages and other benefits	3,372,948	3,965,473
Staff welfare	34,471	54,380
Provision for gratuity	144,806	285,178
	3,552,225	4,305,031

22.1 Salary includes Director remuneration of Rs Nil (Previous year Rs.Nil)

23 FINANCE COSTS

Interest Paid on loan	210,555,522	182,166,176
	210,555,522	182,166,176

24 DEPRECIATION AND AMORTIZATION EXPENSE

Deprecation and amortization	87,477	89,839
	87,477	89,839

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amount in ₹)

25 OTHER EXPENSES

	For the year ended 31st March 2019	For the year ended 31st March 2018
Advertisement Expenses	89,670	91,568
Repairs & Maintenance		
Building	-	101,500
Office	<u>101,482</u>	<u>173,300</u>
TTTravelling & conveyance	54,704	113,267
Rates fees & taxes	855,049	1,257,092
General expenses	137,604	75,470
Bank/BG Charges	1,568	2,330
Security expenses	834,171	843,722
Electricity & water charges	883,133	283,891
Donation	-	5,100
Legal & professional charges	1,812,966	1,010,705
Newspaper & periodicals	1,920	2,080
Auditor's remuneration (refer note no. 26)	322,250	262,500
AGM expenses	31,541	53,044
Printing & stationery	76,299	64,075
Postage & courier	111,763	21,618
Telephone expenses	38,398	51,110
Software maintenance expenses	13,390	-
Rent paid	60,000	60,000
Diwali expenses	21,532	25,860
Bad debts written Off	1,428	385,990
Loss on recovery of Assets	1,943,904	-
Adjustment in value of Investment	4,949	1,591
Corporate Social Responsibility expenses	800,000	-
Provision for Sub-Standard, bad & doubtful Assets (pursuant to RBI norms)	-	39,577
Provision for standard assets (pursuant to RBI norms)	<u>1,155,047</u>	-
	<u>9,352,767</u>	<u>4,823,890</u>

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

26. Auditor's remuneration :	(All amount in ₹)	
Particulars	2018-19	2017-18
Statutory and tax audit fee	2,75,000	2,62,500
Total	2,75,000	2,62,500

- 27.** Contingent Liability - Rs. Nil (previous year - Nil)
- 28.** Balances shown under the head of current assets, loans and advances are considered as good and recoverable by the management.
- 29.** 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.
- 30.** As per the accounting standard (AS-13), disclosures regarding Investments are given below:

NAME OF SCRIPT	OPENING		PURCHASES DJUSTMENT		SALES/ ADJUSTMENT		CLOSING STOCK			
	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	COST PRICE	MARKET RATE	COST OR MARKET PRICE WHICHEVER IS LESS
QUOTED										
OSWAL AGRO MILLS LTD	500	6525	0	0	0	0	500	20213	4050	4050
SOMDAIT FINANCE CORP. LTD.	700	3129	0	0	0	0	700	54033	2240	2240
ARVIND LTD.	9	3447	0	0	0	0	9	6445	818.55	819
ARVIND FASHIONS LTD	0	0	1	1043	0	0	1	1043	1043.2	1043
NAMESTE EXPORTS LTD.	200	520	0	0	0	0	200	17322	520	520
SHREE RAM URBAN INFRAST. LTD.	100	3700	0	0	0	0	100	47559	3700	3700
	1509	17321	1	1043	0	0	1510	146615	12371.75	12372
UN-QUOTED										
RANA MOHENDRA PAPERS LIMITED	1300	3900	0	0	0	0	1300	39917	3900	3900
BIRLA CENTURY FINANCE LTD.	500	4950	0	0	0	0	500	30662	4950	4950
CHINAR EXPORTS LTD.	300	3600	0	0	0	0	300	15846	3600	3600
HOTEL SHREE KRISHNA INTL.	600	1140	0	0	0	0	600	13410	1140	1140
HANSAFLON PLASTOCHEM. LTD.	100	110	0	0	0	0	100	4368	110	110
NAHAR SUGAR & ALLIED IND.LTD	100	2405	0	0	0	0	100	7511	2405	2405
TIMES GAURANTEE LTD.	100	4050	0	0	0	0	100	12696	4050	4050
TOTAL	3000	20155	0	0	0	0	3000	124410	20155	20155

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

- 31.** 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.

- 32.** As per the accounting standard (AS-18), disclosure regarding related party as defined, 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) **Others :**

a) Kapil Construction Private Limited		Directors' Shareholding
b) Indus Portfolio Private Limited		Directors' Shareholding
c) Mittersen Agro Farms Private Limited		Directors' Shareholding
d) Kartikay Exploration And Mining Private Limited		Directors' Relative Interested
e) TAS Integrators Private Limited (under process of striking off)		Directors' Relative Interested
f) Sainik Automobile		Directors' Relative Interested

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (All amount in ₹)

iii) **Key Management Personnel :**

a) Kapil Sharma (resigned on 30.04.2018)	Chief Executive Officer
b) Jagdish Chandra	Chief Financial Officer
c) Kunal Gupta	Company Secretary

c) **Related party transactions**

Transaction	Associates	KMP	Total
Services Received			
Indus Portfolio Private Limited	3,71,483 (10,000)	-	3,71,483 (10,000)
Kapil Construction Private Limited	60,000 (60,000)	-	60,000 (60,000)
Finance provided			
Tas Integrators Private Limited	40,480 (10,20,762)	-	40,480 (10,20,762)
Kartikay Exploration & Mining Private Limited	20,00,000 (-)	-	20,00,000 (-)
Refund of finance provided			
Tas Integrators Private Limited	24,99,365 (55,00,000)	-	24,99,365 (55,00,000)
Interest income			
Sainik Automobile	4,25,000 (4,25,000)	-	4,25,000 (4,25,000)
Kartikay Exploration And Mining Private Limited	2,49,80,490 (2,18,75,998)	-	2,49,80,490 (2,18,75,998)
Tas Integrators Private Limited	-	-	-
Interest paid			
Mittersen Agro Farms Private Limited	11,10,963 (9,94,595)	-	11,10,963 (9,94,595)
Salary to key managerial personnel			
Kapil Sharma	-	8,28,585	8,28,585
Jagdish Chandra	(-)	(9,84,200)	(9,84,200)
Kunal Gupta	-	15,16,668	15,16,668
	(-)	(14,08,764)	(14,08,764)
	-	1,44,000	1,44,000
	(-)	(1,44,000)	(1,44,000)

Figures in () are of previous year 31 March 2018

d) **Particulars of balances as on 31st March, 2019 in respect of related party transactions :**

Transaction	Associates	KMP	Total
Finance provided			
Kartikay Exploration And Mining Private Limited	16,75,28,383 (14,58,39,985)	-	16,75,28,383 (14,58,39,985)
Tas Integrators Private Limited	-	-	-
	(20,94,568)	(-)	(20,94,568)
Finance received			
Mittersen Agro Farms Private Limited	85,45,866 (76,50,731)	-	85,45,866 (76,50,731)
Trade advances			
Sainik Automobile	36,47,500 (32,65,000)	-	36,47,500 (32,65,000)
Interest accrued but due on borrowings			
Mittersen Agro Farms Private Limited	9,99,866 (8,95,135)	-	9,99,866 (8,95,135)
Interest accrued and due on finance provided			
Kartikay Exploration And Mining Private Limited	2,24,82,441 (1,96,88,398)	-	2,24,82,441 (1,96,88,398)
Tas Integrators Private Limited	-	-	-
	(3,64,317)	(-)	(3,64,317)
Salary to key managerial personnel			
Jagdish Chandra	-	84690	84690
Kunal Gupta	(-)	(-)	(-)
	-	12000	12000
	(-)	(-)	(-)

Figures in () are of previous year 31 March 2018

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

(All amount in ₹)

- a) Appropriated 20% of the net profit to "Reserve Fund" under section 45-IC of the RBI Act.1934. - Rs.1,08,49,333/- (Previous year Rs. 98,97,974/-)
- b) Break up of other 'Provisions and Contingencies' have shown under the head Expenditure in Profit & Loss Account (in Rs.)

Sl	Particulars	2018-19	2017-18
1	Provision for depreciation on investment Nil	Nil	
2	Provision towards non-performing assets	(19,28,459)	39,577
3	Provision made towards income tax-current	2,10,19,663	1,82,44,750
4	Other provisions and contingencies	Nil	Nil
5	Provision for standard assets 0.25% (Previous Year 0.35%)	11,55,047	(9,51,449)

- 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	2,28,06,70,292	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Other Loans	Nil	Nil

* Please see Note 1 below

Assets side:

2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	Amount Outstanding
(a)	Secured	-
(b)	Unsecured	2,68,04,11,034
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
(iii)	Hypothecation loans counting towards EL/HP activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil
(iv)	Other Loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amount in ₹)

4 Break-up of Investments :

Current Investments :

1. Quoted

(i) Shares : (a) Equity		12,372
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (please specify)		Nil

2. Unquoted :

(i) Shares : (a) Equity		20,155
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil

Long Term investments :

1. Quoted :

(i) Share : (a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil

2. Unquoted :

(i) Shares : (a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil

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	Nil	19,73,05,824	19,73,05,824
2. Other than related parties	Nil	2,51,05,70,740	2,51,05,70,740
Total	Nil	2,70,78,76,564	2,70,78,76,564

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amount in ₹)

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
Total	Nil	Nil

** 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	85,88,100
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	73,24,752
(iii) Assets acquired in satisfaction of debt	Nil

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.

34. Earnings per share :

The computation of basic and diluted earnings per share is set out below :

Particulars	2018-19	2017-18
Profit after tax attributable to equity shareholders (Rupees)	5,42,46,664	4,94,89,868
Weighted average number of equity shares outstanding during the year for calculation of earnings per share	1,08,80,000	1,08,80,000
Nominal value per share (Rupees)	10	10
Basic and diluted earnings per share (Rupees)	4.99	4.55

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	(All amount in ₹)
35. 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 (CIF Value in Exports)	: Nil

- 36.** 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			
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
	Quantity (Nos)		Amount		Quantity (Nos)		Amount	
Poles	2	2	3,200	3,200	2	2	3,200	3,200

d) Sales:

Particulars	Quantity (NOS)		Amount	
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
Poles	Nil	Nil	Nil	Nil

- 37.** Previous Years Figures are regrouped /reclassified wherever necessary

As per our report of even date
For **Nagar Goel & Chawla**
Chartered Accountants
ICAI Firm Registration No. : 009933N

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

Dharmender Singhal
Partner
Membership No. 515984

Rudra Sen Sindhu
Director
DIN-00006999

Kuldeep Singh Solanki
Director
DIN-00009212

Place : New Delhi
Dated : 27th May, 2019

Akash Shrivastava
Chief Executive Officer
PAN-BAYPS2407Q

Kunal Gupta
Company Secretary
PAN-ATCPG6054B

Jagdish Chandra
Chief Financial Officer
PAN-AAJPU3255G

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

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**

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

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

Name	
Address	
E-mail ID	
Signature	

Or failing him/her

Name	
Address	
E-mail ID	
Signature	

Or failing him/her

Name	
Address	
E-mail ID	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 9.30 a.m. at 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 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
	Ordinary Business:			
1.	Adoption of the Annual Financial Statements of the Company for the Financial year ended 31st March, 2019, including the audited Balance Sheet as at 31st March, 2019, 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.	Ratification of 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 appointment of Mrs. Renuka Hooda, as independent director of the Company for the second term for the five years.			

Signed this day ofof 2019.

Signature of shareholder

Signature of Proxy holder(s)

Affix a Re. 1/- Revenue Stamp
--

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 **website:** www.sainikfinance.com

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

ATTENDANCE SLIP

(For 27th Annual General Meeting on Monday, 30th September, 2019 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 27th Annual General Meeting of the Company on Monday, 30th day of September, 2019.

(*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

S. No.	Particulars	Details
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, 2019, including the audited Balance Sheet as at 31st March, 2019, 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.	Ratification of 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 appointment of Mrs. Renuka Hooda, as independent director of the Company for the second term for the five years.			

Place:

Date:

(Signature of shareholder/Proxy)

ROUTE MAP TO VENUE FOR ANNUAL GENERAL MEETING

