

Annual Report
2017-2018



SAINIK FINANCE & INDUSTRIES LIMITED

SAINIK FINANCE & INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Kapil Sharma (Resigned w.e.f. 30.04.2018)	: Chief Executive Officer
Mr. Jagdish Chandra	: Chief Financial Officer
Ms. Kunal Gupta	: Company Secretary

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDER RELATIONSHIP COMMITTEE

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

CSR 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

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SAINIK FINANCE & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of M/s Sainik Finance & Industries Limited will be held on Saturday, the 29th day of September, 2018 at the Farm House of M/s Kapil Constructions Private Limited, Anandgram (Near Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi -110 070 at 9:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Financial Statements of the Company for the financial year ended 31st March, 2018, including the audited Balance Sheet as at 31st March, 2018, 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. Rudra Sen Sindhu, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration:

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

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the shareholders / the members at the Annual General Meeting held on 28th September, 2017, the appointment of M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) as the statutory auditors of the Company to hold office as such till date of conclusion of the 30th AGM of the Company to be held for the financial year ending on 31st March 2022, be and is hereby ratified for the financial year 2018-19.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year 2018-19 as may be agreed upon between the auditors and the Board of Directors."

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

Dated : 14th August, 2018
Place : Gurugram

Rudra Sen Sindhu
Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than forty-eight hours before the meeting. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. Proxies submitted on behalf of the companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
4. The proxy form and attendance slip are annexed herewith.
5. Members/ proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the AGM.
6. The relevant details as required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of persons seeking appointment / re-appointment as Directors under item No. 2 of the Notice is also annexed herewith.

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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 Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (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. **Pursuant to SEBI Circular No. SEBI/ HO/ MIRSD/ DOP I/ CIR/P/2018/73 dated 20th April, 2018 as amended vide circular no. SEBI/ HO/ MIRSD/ DOP I/ CIR/P/2018/115 dated 16th July, 2018 in which SEBI has directed all listed entities to update PAN and BANK details of all shareholders holding shares in physical forms through their RTA. The Company has through its RTA initiated steps for registering the PAN details of all shareholders and the Bank account details of shareholders. You all are requested to provide necessary details / information i.e. PAN & Bank Details to RTA in order to comply with the provisions of this circular.**
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. **Further, SEBI has issued SEBI (Listing Obligations and Disclosure Requirements) Fourth Amendment Regulations, 2018 and amended the provision relating to transfer of securities of listed companies. The amendment mandates that a request for transfer of securities shall not be processed unless the securities are held by the shareholders in dematerialized form with the Depository. Further share in Demat form will improve ease & convenience in the transfer of securities. The aforesaid amendment is effective from 180 days from the date of SEBI circular of 08th June, 2018. Therefore, you all are requested to get your shares dematerialised 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. Members who wish to register their email ID can download the 'Green Initiative' form from the Company's website viz. www.sainikfinance.com
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 participants or with the Registrar and Share Transfer Agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to cs.anamika@indusinvest.com or legal.secretarial@sainikmining.com mentioning your Folio/ DP ID & Client ID.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
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.

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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 2017-18 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***

- 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'?

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- (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. a .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 Tuesday, 25th September, 2018 (9.00 a.m. IST) and ends on Friday, 28th September, 2018 (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. Saturday, 22nd September, 2018, 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.
 - 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 Saturday, 22nd September, 2018.
 - 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. Saturday, 22nd September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/RTA.

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- 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. 89046), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- 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. 89046), at the Registered Office of the Company not later than Friday, **28th September, 2018 (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 **Friday 28th September, 2018 (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 : 14th August, 2018

Rudra Sen Sindhu
Director
DIN: 00006999

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ANNEXURE TO ITEM NO. 2 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 Mr. Rudra Sen Sindhu:

Name	Mr. Rudra Sen Sindhu		
DIN	00006999		
Age	62 years		
Date of Appointment	22/08/1991		
Qualification	He is ex-army person and has bachelor's degree in arts.		
Expertise in specific functional area	<p>He joined the Indian Army in 1977. After completing the short service commission period of five years, he joined his family concern, M/s. Mitter Sen and Co., which was then engaged in the business of iron ore mining.</p> <p>He has approximately 35 years of experience in the field of coal mining and mining logistics and setting up and operation of power plants and non-banking finance business. He has business interests in a number of companies engaged mainly in the business of mining and logistics, coal beneficiation, power generation, manufacturing of sponge iron and steel, stock broking, print media, finance and tourism. He has been the Chairman of the Expert Committee on Coal since 2008 and the Co-Chairman of the National Coal Committee of ASSOCHAM since 2009. He is also engaged in several charitable activities in rural area.</p>		
Directorships held in other companies (except foreign companies)	<ul style="list-style-type: none"> • ACB (India) Limited • ACB (India) Power Limited • Aryan Energy Private Limited • Aryan Ispat And Power Private Limited • Global Coal And Mining Private Limited • Hari Bhoomi Communications Private Limited • Indus Portfolio Private Limited • Legend Travels Private Limited • Paramitra Holdings Limited • Sainik Mining and Allied Services Limited • Sindhu Trade Links Limited • Thriveni Sainik Mining Private Limited 		
Memberships / Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Committee	Chairman / Member	Company
	Audit Committee	Chairman	Sainik Mining And Allied Services Limited
	Stakeholder Relationship Committee	Member	ACB (India) Limited
	Audit Committee	Member	ACB (India) Limited
	Audit Committee	Chairman	ACB (India) Power Limited
Audit Committee	Chairman	Aryan Energy Private Limited	
Shareholding in the Company	7,94,099 Equity Shares		
Relationship with any Director(s) of the Company	He is not related to 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 26th Annual Report and the Audited Statement of Accounts for the year ended on 31st March, 2018.

1. FINANCIAL RESULTS

(Amount in Rs.)

Particulars	For the financial year 2017-18	For financial year 2016-17
Total Revenue	25,75,77,864	9,99,28,731
Profit before financial costs, depreciation, and Tax	24,84,51,273	7,70,13,263
Finance Costs	18,21,68,506	5,06,10,072
Profit before depreciation and tax	6,62,82,767	2,64,03,191
Depreciation for the financial year	89,839	93,154
Profit/(Loss) before tax	6,61,92,928	2,63,10,037
Direct Taxes	1,67,03,060	1,38,86,135
Profit / (Loss) after Tax	4,94,89,868	1,24,23,902
Transfer to Reserve Fund	98,97,974	52,62,007

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.98,97,974/- (Rupees Ninety Eight Lakhs Ninety Seven Thousands Nine Hundred Seventy Four 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, 2018, the Company has made the provision of Rs.64,02,269/- (Rupees Sixty Four Lakhs Two Thousands Two Hundred Sixty Nine only) for Sub Standard Assets and Rs. 56,17,202/- (Rupees Fifty Six Lakhs Seventeen Thousands Two Hundred Two 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. 25,75,77,864/- (Rupees Twenty Five Crores Seventy Five Lakhs Seventy Seven Thousands Eight Hundred Sixty Four Only) as compared to Rs. 9,99,28,731/- (Rupees Nine Crore Ninety Nine Lakhs Twenty Eight Thousand Seven Hundred and Thirty One only) in the previous year and the Company earned a profit before tax of Rs. 6,61,92,928/- (Rupees Six Crores Sixty One Lakhs Ninety Two Thousands Nine Hundred Twenty Eight Only) as compared to Rs.2,63,10,037/- (Rupees Two Crore Sixty Three Lakhs Ten Thousand and Thirty Seven Only) in the previous year.

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5. SHARE CAPITAL OF THE COMPANY

The Authorised share capital of the Company is Rs.11,00,00,000/- 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/-divided into 10880000 Equity Shares of Rs.10/- each fully paid up.

Out of the above 8103589 Equity Shares being 74.48% of the Company's paid up equity shares capital are in dematerialized form as on 31st March, 2018 and balance 2776411 Equity Shares being 25.52% 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, 2018.

7. DIRECTORS OF THE COMPANY

In term of the Section 152 of the Companies Act, 2013 and Articles of Association of the Company, **Sh. Rudra Sen Sindhu (DIN-00006999)**, 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. There was no 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:

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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	9%
	Kapil Sharma , CEO	9%
	Kunal Gupta, CS	Nil
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.	

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 employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Rules are available at the registered office of the Company during working hours 21 days before the Annual General Meeting and shall be made available to any shareholders on their request in written.

Meetings

During the year under review, (6) 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, the key managerial personnel of the Company are - Mr. Kapil Sharma, Chief Executive Officer, Mr. Jagdish Chandra, Chief Financial Officer and Mr. Kunal Gupta Company Secretary of the Company. There was no change in KMP during the financial year under review. However, subsequent to the end of the financial year under review, Sh. Kapil Sharma, Chief Executive Officer of the Company has tendered his resigned from the post of Chief Executive officer of the Company with effect from 30th April, 2018.

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, 2018 and state:

- i) That in the preparation of Annual Accounts for the financial year ended as at 31st March, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to the material departures.

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- 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, 2018 and of the profit and loss of the Company for the financial year ended on 31st March, 2018.
- 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 2017-18.

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.

14. AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT

The independent auditors' report and secretarial auditors' report are self-explanatory and does not contain any qualifications, reservations or adverse remarks. Hence, no explanation is required to be given in Board Report. Further the Company has appointed M/s S.S. Bhati & Associates, a firm of Company Secretaries in

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practice to undertake the Secretarial Audit of the Company for the financial year 2017-18 in terms of provisions of section 204 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Report of the secretarial auditor for the financial ended 31st March, 2018 in Form MR-3 is annexed as an Annexure - "A".

15. APPOINTMENT OF STATUTORY AND 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) has been appointed as Statutory Auditors of the Company to holds office as such till date of conclusion of 30th Annual General Meeting to be held for the financial year ending on 31st March 2022 subject to ratification of their appointment at every Annual General Meeting of the Company.

The Audit Committee proposed and Board of Directors recommended the ratification of the appointment of M/s Nagar Goel & Chawla, Chartered Accountants as statutory auditors of the Company for the financial year 2018-19.

The Company has obtained a written consent from M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N), for their re-appointment and they have also confirmed that the ratification of their appointment, if made, shall be within the limit prescribed in the Companies Act, 2013 and they are not disqualified for such appointment within the meaning of section 139 and 141 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 14th August, 2018 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 2018-19.

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. RELATED PARTY TRANSACTIONS

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

The Policy relating to related party transactions duly approved by the Board of Directors of the Company has been placed on the Company's website www.sainikfinance.com

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19. 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.

20. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company. During the financial year 2017-18, no such complaint of unethical or improper activity has been received by the Company.

21. 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.

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

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

Conservation of Energy

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

Technology Absorption, Adaption and Innovation

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

Foreign Exchange Earnings and Outgo

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

23. 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;

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24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, provision of section 135 and Schedule VII of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to our Company. Hence, details of expenditures on CSR activities are not being furnished.

Further pursuant to the provision of section 135(1) of the Act, a company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. 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, 2018 is Rs.6,61,92,928/-. Therefore, 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 as the Corporate Social Responsibility Policy of the Company which has been placed at the company's website www.sainikfinance.com

25. 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.

26. 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 2018, no complaint of sexual harassment has been received by the Company.

27. LISTING OF SECURITIES

Presently, the Securities of the Company are listed on BSE Limited, Mumbai. The listing fee for the financial year 2018-19 has been paid.

28. ACKNOWLEDGEMENTS

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

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

Place : Gurugram
Dated : 14th August, 2018

Samai Singh
Director
DIN: 00235036

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, 2018

[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, 2018 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, 2018 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;

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- 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;
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (No event took place under these regulations during the audit period).
 - (d) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015(No event took place under these regulations during the audit period)
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (No event took place under these regulations during the audit period).
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(No event took place under these regulations during the audit period).
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (No event took place under these regulations during the audit period).
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (No event took place these regulations during the audit period).
- VI) The Company has 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 Finance Act, 1994 and 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.

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III. Reserve Bank of India Act, 1934,

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

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

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

We further report that the Company has, 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 Thursday, 28th September, 2017;
- g) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- h) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- i) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including KMPs;
- j) Payment of remuneration to Directors including KMPs,
- k) Appointment and remuneration of Auditors;
- l) Transfers and transmissions of the Company's shares;
- m) Investment of the Company's funds including investments and loans to others;
- n) Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedules to the Act;
- o) Directors' report;
- p) Contracts, common seal, registered office and publication of name of the Company; and
- q) Generally, all other applicable provisions of the Act and the Rules made under the Act.

We further report that:

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

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- 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 : 14th August, 2018

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, 2018

[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	-	99.55%

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	6201724	4200	6205924	57.04	6554910	4200	6559110	60.29	3.25
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	6201724	4200	6205924	57.04	6554910	4200	6559110	60.29	3.25
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)	6201724	4200	6205924	57.04	6554910	4200	6559110	60.29	3.25
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	1483801	1479788	2963589	27.24	1130712	1479788	2610500	27.24	(3.25)
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	279940	1107764	1387704	12.75	283345	1102306	1385651	12.74	(0.01)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	129847	158000	287847	2.66	129865	158000	287865	2.65	(0.01)
c) Others(Specify)									
i) Non-Resident Indian	889	32117	33006	0.30	1289	32117	33406	0.31	0.01
ii) Clearing Member	-	-	-	-	-	-	-	0.00	-
iii) Clearing House	1930	-	1930	0.02	3468	-	3468	0.01	0.01
Sub-total(B)(2)	1896407	2777669	4674076	42.96	1548679	2772211	4320890	39.71	(3.25)
Total Public Shareholding (B)=(B)(1) + (B)(2)	1896407	2777669	4674076	42.96	1548679	2772211	4320890	39.71	(3.25)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8098131	2781869	10880000	100%	8103589	2776411	10880000	100%	-

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(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	1786653	16.42	N.A.	1963246	18.04	N.A.	1.625
2	Rudra Sen Sindhu	617506	5.68	N.A.	794099	7.30	N.A.	1.625
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.	4200	0.04	N.A.	-
34	Madhu Singh	36033	0.33	N.A.	36033	0.33	N.A.	-
	Total	6205924	57.04	N.A.	6559110	60.29	N.A.	3.25

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(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	6205924	57.04	6205924	57.04
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	28/03/2018	353186	3.25	6559110	60.29
	At the End of the year	6559110	60.29	-	-

Reason of Change in Shareholding#

Sl. No	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the Beginning (01-04-17 / end of the Year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Kuldeep Singh Solanki	1786653	16.42	01/04/2017	-	-	1786653	16.42
		176593	1.62	28/03/2018	Increase	Purchase	1963246	18.04
		1963246	18.04	31/03/2018	-	-	1963246	18.04
	Rudra Sen Sindhu	617506	5.68	01/04/2017	-	-	617506	5.68
		176593	1.62	28/03/2018	Increase	Purchase	794099	7.30
		794099	7.30	31/03/2018	-	-	794099	7.30

(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	2996761	27.54	2996761	27.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):#	(353186) +32602	(3.25) +0.31	2676177	24.60
	At the End of the year(or on the date of separation, if separated during the year)	2676177	24.60	2676177	24.60

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Reason of Change in Top Ten Public Shareholding

Sl. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the Beginning (01-04-17 / end of the Year (31-03-18))	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Sindhu Trade Links Limited	1173565	10.79	01-04-2017	-	-	1173565	10.79
		-	-	-	-	-	-	-
		1173565	10.79	31-03-2018	-	-	1173565	10.79
2.	Maneesha Finlease Limited	1046159	9.62	01-04-2017	-	-	1046159	9.62
		-	-	-	-	-	-	-
		1046159	9.62	31-03-2018	-	-	1046159	9.62
3	Sainik Mining And Allied Services Limited	353186	3.25	01-04-2017	-	-	353186	3.25
		(353186)	(3.25)	28-03-2018	Decrease	Transfer/ Sale	(353186)	3.25
		Nil	Nil	31-03-2018	-	-	Nil	Nil
4	Sindhu Farms Private Limited	111666	1.03	01-04-2017	-	-	111666	1.03
		-	-	-	-	-	-	-
		111666	1.03	31-03-2018	-	-	111666	1.03
5.	Ex - Serviceman Vir Transport Pvt. Limited	61866	0.57	01-04-2017	-	-	61866	0.57
		-	-	-	-	-	-	-
		61866	0.57	31-03-2018	-	-	61866	0.57
6.	Ex - Serviceman Abhimanyu Transport Pvt. Limited	61866	0.57	01-04-2017	-	-	61866	0.57
		-	-	-	-	-	-	-
		61866	0.57	31-03-2018	-	-	61866	0.57
7	Sanjay Kumar Sarawagi	59169	0.54	01-04-2017	-	-	59169	0.54
		-	-	-	-	Purchase	02	0.00
		59171	0.54	31-03-2018	-	-	59171	0.54
8.	Yaspal Saharan	49200	0.45	01-04-2017	-	-	49200	0.45
		-	-	-	-	-	-	-
		49200	0.45	31-03-2018	-	-	49200	0.45
9	Master Trust Limited	41684	0.38	01-04-2017	-	-	41684	0.38
		-	-	-	-	-	-	-
		41684	0.38	31-03-2018	-	-	41684	0.38
10	Talqeen Qureshi	38400	0.35	01-04-2017	-	-	38400	0.35
		-	-	-	-	-	-	-
		38400	0.35	31-03-2018	-	-	38400	0.35
11	Dilbagh Singh	32600	0.30	01-04-2017	-	-	32600	0.30
		-	-	-	-	-	-	-
		32600	0.30	31-03-2018	-	-	32600	0.30

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(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17) / end of the year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	Director:							
1.	Sh. Rudra Sen Sindhu	617506	5.68	01-04-2017	-	-	617506	5.68
		176593	1.62		Increase	Purchase	794099	7.30
		794099	7.30	31-03-2018	-	-	794099	7.30
2.	Sh. Kuldeep Singh Solanki	1786653	16.42	01-04-2017	-	-	1786653	16.42
		176593	1.62		Increase	Purchase	1963246	18.04
		1963246	18.04	31-03-2018	-	-	1963246	18.04
3	Samai Singh	2000	0.02	01-04-2017	-	-	2000	0.02
		-	-		-	-	-	-
		2000	0.02	31-03-2018	-	-	2000	0.02
4	Renuka Hooda	NIL					NIL	
B.	Key Managerial Personnel							
1	Kapil Sharma, CEO	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2.	Jagdish Chandra, CFO	460	-	01-04-2017	-	-	460	-
		-	-				-	
		460	-	31-03-2018			460	
3.	Kunal Gupta	NIL					NIL	

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	1,50,59,57,236	NIL	1,50,59,57,236
ii) Interest due but not paid	NIL	4,55,23,264	NIL	4,55,23,264
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	1,55,14,80,500	NIL	1,55,14,80,500
Change in Indebtedness during the financial year				
Addition	NIL	97,28,30,306	NIL	97,28,30,306
Reduction	NIL	65,92,85,479	NIL	65,92,85,479
Net Change	NIL	31,35,44,827	NIL	31,35,44,827
Indebtedness at the end 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

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

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

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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	9,84,200	1,44,000	14,08,764	25,36,964
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	9,84,200	1,44,000	14,08,764	25,36,964
	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					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B.	Directors					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C.	Other Officers in default					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

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CORPORATE GOVERNANCE REPORT **for the financial year ended on 31st March, 2018**

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	19,63,246
Mr. Rudra Sen Sindhu	Non-Executive -Non Independent Director	7,94,099
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, 6 Board meetings, 4 Audit Committee Meetings, 9 Stakeholders Committee Meeting and 4 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 6 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						
	25-04-2017	29-05-2017	10-08-2017	13-11-2017	07-02-2018	26-03-2018	Meeting Attended
Mr. Rudra Sen Sindhu	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Kuldeep Singh Solanki	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Samai Singh	Yes	Yes	Yes	Yes	No	Yes	5
Mrs. Renuka Hooda	Yes	Yes	Yes	Yes	Yes	Yes	6

b) Attendance record of Directors at Board Meeting and Annual General Meeting of the Company held during the financial year 2017-18 and number of Directorships / Committee memberships / Chairmanships of other companies at on date:

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Name of Director	Attendance details		Number of other Companies in which he/she Director (other than foreign companies and section 8 Companies)	*Other committees of which he is	
	At Board Meeting	At Annual General Meeting held on 28.09.2017		Chairman	Member
Mr. Rudra Sen Sindhu	6	Yes	13	3	2
Mr. Kuldeep Singh Solanki	6	Yes	14	-	-
Mr. Samai Singh	5	Yes	3	-	-
Mrs. Renuka Hooda	6	Yes	2	-	-

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

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 appointment letters of Independent Directors has been 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 28th day of March, 2018, 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;

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- (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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

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- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee."

As on date the Audit Committee comprise the following members:

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

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
29.05.2017	Yes	Yes	Yes
10.08.2017	Yes	Yes	Yes
13.11.2017	Yes	Yes	Yes
07.02.2018	Yes	Yes	No

3.2 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee looks into the matters of complaints of the investors and shareholders relating to the non-receipt of dividend warrants, annual reports, share transfers/ transmission in time, issue of duplicate share certificate, re-mat / de-mat of shares, change of address etc. and the redressal of their complaints.

The Stakeholder Relationship Committee has been constituted by the Board of Directors in order to meet the requirements of section 178 of the Companies Act, 2013 as well as the regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

The Committee met 9 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
25.04.2017	Yes	Yes	Yes
08.05.2017	Yes	Yes	Yes
10.08.2017	Yes	Yes	Yes
29.09.2017	Yes	Yes	Yes
13.11.2017	Yes	Yes	Yes
18.01.2018	Yes	Yes	Yes
26.02.2018	Yes	Yes	Yes
17.03.2018	Yes	Yes	Yes
26.03.2018	Yes	Yes	Yes

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

Sl. No.	Particulars	No.	Status/Remark
1.	Number of queries/complaints received from shareholders/ investors from April 01, 2017 to March 31, 2018 regarding non-receipt of dividend/ interest warrants, non-receipt of shares sent for transfer, Annual Reports etc.	3	Resolved
2.	Number of queries / complaints attended	3	-
3.	Number of request of Share Transfer / Transmission received during the year under review.	21	-
4.	Number of Shares for which above requests received.	1293	-
5.	Number of Share Transfer cases done.	21	-
6.	Number of Share Transfer request pending.	NIL	N.A.
7.	Number of equity shares acquired by Promoters from off market in dematerialized form during the year under review.	353186	N.A.

3.3 NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

The Committee met 4 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
25.04.2017	Yes	Yes	Yes
10.08.2017	Yes	Yes	Yes
13.11.2017	Yes	Yes	Yes
26-03-2018	Yes	Yes	Yes

SAINIK FINANCE & INDUSTRIES LIMITED

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 as the Corporate Social Responsibility Policy of the Company which has been placed at the company's website www.sainikfinance.com

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

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.

- 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.

SAINIK FINANCE & INDUSTRIES LIMITED

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

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

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

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

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

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

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

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

6 **BUSINESS RISK MANAGEMENT**

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

The objectives and scope of the Risk Management Committee broadly comprise of

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

7. **GENERAL MEETINGS**

Location and time of the last three Annual General Meetings:

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

SAINIK FINANCE & INDUSTRIES LIMITED

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	No	N.A.
2.	Whether Special Resolutions were put through postal ballot during the last 3 years	Yes: Result of which declared on 27 th March, 2017	a) Special resolution passed Section 180(1)(c) of the Companies Act, 2013 to authorize Board of Directors for borrowing monies or availing / taking loan etc. and b) Special resolution passed Section 180(1)(a) of the Companies Act, 2013 for selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking of the Company / creation of charge or mortgage on the Company's properties both present and future, in respect to borrowings.
3.	Persons who conducted the postal ballot	Mr. Rajesh Gulati, Practicing Chartered Accountant was appointed as the scrutinizer for carrying out the postal ballot process.	
4.	Procedure for postal ballot	The Company followed the procedure for conducting postal as prescribed under section 110 read with section 108 of the Companies Act, 2013 and rules made thereunder. The Company also provided e-voting facility in addition to physical ballot to all members. For this purpose, the Company has engaged the services of NSDL. Postal ballot forms and notices were dispatched along with postage prepaid business reply envelopes to registered members. The same notice was sent by email to members who have opted for receiving communication through the electronic mode. The Company also published notices in the newspaper declaring the details and requirements as mandated by the Act and applicable rules. Voting rights were reckoned on the paid-up value of shares registered in the names of members as on the cut-off date. Members who want to exercise their votes by physical postal ballot were requested to return the forms, duly completed and signed, to the scrutinizer on or before the closing of voting period. Those using the e-voting option are requested to vote before the closing of hours on the last date of e-voting. The scrutinizer completes his scrutiny and submits his report to the Chairman, and consolidated results of voting are declared /announced by the Chairman. The results are also displayed on the Company website www.sainikfinance.com , besides being communicated to stock exchange.	

8. DISCLOSURES

- a) Except as disclosed in annual report of the Company for the financial year ended on 31st March, 2018, there was no related party transactions with its promoters, Directors or the management, their subsidiaries / relatives that may have potential conflict with the interests of the Company at large.
- b) There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, or the Securities and Exchange Board of India or any other statutory body/ authority, on any matter related to capital markets during the last three years.
- c) The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
- d) No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
- e) To the extent possible, the Company has complied with the mandatory requirement of this clause.
- f) The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

9. MEANS OF COMMUNICATIONS WITH THE INVESTORS/SHAREHOLDERS

- | | |
|--|--|
| a) Half Yearly report sent to each household of shareholders | No, the results were published by the Company in National and regional newspapers in English and Hindi. |
| b) Quarterly results | Are published in the following newspapers:
Millennium Post /The Financial Express - English / and Dainik Haribhoomi - Vernacular language (Hindi) |
| c) Any website where displayed | www.sainikfinance.com |
| d) Whether the website also displays official news releases | Yes |

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- | | |
|--|-----|
| e) Presentations made to institutional investors and analysts | No |
| f) Whether Management Discussion and Analysis Report forms part of Annual Report | Yes |

10. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	:	29 th September, 2018
Day	:	Saturday,
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, 2018– March 31, 2019

Quarterly results- For Quarter ending

30-06-2018	-	14 th August, 2018
30-09-2018	-	1 st / 2 nd week of November, 2018.
31-12-2018	-	1 st / 2 nd week of February, 2019
31-03-2019	-	3 rd /4 th week of May, 2019

Book closure

Saturday, 22nd September, 2018 to Saturday, 29th September, 2018, (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 2018-19.

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 2017-18 are as under:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2017	33.00	29.45	October, 2017	30.00	25.35
May, 2017	32.60	28.35	November, 2017	31.60	26.00
June, 2017	31.00	31.00	December, 2017	41.35	31.50
July, 2017	32.55	28.00	January, 2018	42.45	33.25
August, 2017	33.60	29.05	February, 2018	37.10	30.15
September, 2017	31.90	26.25	March, 2018	34.75	32.60

Share Transfer system

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

SAINIK FINANCE & INDUSTRIES LIMITED

Dematerialisation 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, 2018, 8103589 Equity shares of the Company i.e. 74.48% of total paid up share capital are held in dematerialized form.

Further, SEBI has issued SEBI (Listing Obligations and Disclosure Requirements) Fourth Amendment Regulations, 2018 and amended the provision relating to transfer of securities of listed companies. The amendment mandates that a request for transfer of securities shall not be processed unless the securities are held by the shareholders in dematerialized form with the Depository. Further share in Demat form will improve ease & convenience in the transfer of securities. The aforesaid amendment is effective from 180 days from the date of SEBI circular of 08th June, 2018. Therefore, you all are requested to get your shares dematerialised at earliest.

Outstanding GDR/Warrants/Convertible Instruments

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

Share Registrar and Transfer Agents:

Indus Portfolio Private Limited,

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

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

Email : cs.anamika@indusinvest.com

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, 2018:

Category wise Shareholding (in shares)	No. of Shareholders	% to Total Shareholders	Number of Share held	% to total share capital
UPTO 500	2971	85.57	306352	2.82
501 - 1000	167	4.81	129438	1.19
1001 - 5000	232	6.68	569227	5.23
5001- 10000	41	1.18	305029	2.80
10001-20000	19	0.55	278669	2.56
20001-30000	3	0.09	76200	0.70
30001-40000	5	0.14	179327	1.65
40001-50000	4	0.12	177550	1.63
50001-100000	11	0.32	723443	6.65
ABOVE 100000	19	0.55	8134765	74.77
Total	3472	100.00	10880000	100.00

SHAREHOLDING DETAILS AS ON 31ST MARCH, 2018:

Category	No. of shares held	Percentage of shareholding
Promoters	65,59,110	60.29
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial institutions, Insurance Companies (Central / State Govt. Institutions/Non-govt. Institutions)	-	-
FII's	-	-
Private Bodies Corporate	26,10,500	23.99
Indian Public	16,73,516	15.39
NRIs	33,406	0.30
Clearing House	3468	0.03
TOTAL	1,08,80,000	100.00

SAINIK FINANCE & INDUSTRIES LIMITED

TOP 10 SHAREHOLDERS OF THE COMPANY AS ON 31ST MARCH, 2018:

Sr. No.	Name	Shares	Percentage
1.	Kuldeep Singh Solanki	19,63,246	18.04
2.	Sindhu Trade Links Limited	11,73,565	10.79
3.	Maneesha Finlease Limited	10,46,159	9.62
4.	Rudra Sen Sindhu	7,94,099	7.30
5.	Parmeshwari Devi	4,56,532	4.20
6.	Yuvraj Singh Solanki	4,32,833	3.98
7.	Indu Solanki	3,37,833	3.11
8.	Sarvesh Sindhu	2,48,866	2.29
9.	Vir Sen Sindhu (HUF)	2,47,066	2.27
10.	Vrit Pal Sindhu	2,06,200	1.90

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 through 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 through Saturday- 'except second and fourth Saturdays')

Registrar and Transfer Agents:

Indus Portfolio Private Limited,

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

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

Email: cs.anamika@indusinvest.com

Website: www.indusinvest.com

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

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

Place : Gurugram
Dated : 14th August, 2018

Samai Singh
Director
DIN: 00235036

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)

Macroeconomic overview

Financial Year 2017-18 began in an uncertain environment with the economy coming to terms with the impact of demonetization of Rs.500 and Rs.1,000 banknotes that came into effect on 8th November, 2016. In the first quarter (April - June 2017), real GDP growth declined to 5.7% i.e. the lowest in 12 successive quarters. The second quarter (July-September 2017) also saw disruption in economic activity on account of teething troubles that accompanied the nation-wide rollout of the Goods and Services Tax (GST). At 6.5%, while GDP growth in the second quarter was higher than the immediately previous one, it was nevertheless the third-lowest in 12 quarters. The third quarter, however, has shown a much needed uptick - posting 7.2% GDP growth vis-à-vis the same quarter in the previous year, and the highest that India saw in five successive quarters. Some believe that the economy has finally recovered and that the Nation is now set for higher growth. However, the second advance estimates of national income for Financial 2017-18 released by the Central Statistics Office (CSO) on 28 February 2018 suggest quite the opposite. The CSO estimates real GDP growth for FY2018 at 6.6%, which is 0.5% less than the 7.1% growth witnessed in Financial Year 2017. Despite this lower growth forecast, there is a positive trend relating to investments. There seems to have been a relatively sharp growth in gross fixed capital formation (GFCF). Consequently, after falling for several years, the share of GFCF to GDP has finally risen to 31.4% for Financial Year 2018. Although this is still less than what it needed to sustain a steady-state GDP growth of 7.5% to 8%, reversal of the downward trend should augur well for the economy. But that remains to be seen.

There are, however, three disturbing trends:

The first is the rising current account deficit (CAD). Slowdown in export growth and a sharp rise in imports driven by rapid growth in crude oil prices threatens India's CAD, which had crossed 2% of GDP during the quarter ended 31 December 2017. Though manageable, the room for man oeuvre is getting reduced, especially if crude oil prices remain above USD 70 per barrel.

The second is the spectre of rising inflation. 'Core inflation' (that is, excluding food and fuel) averaged at 4.7% during FY2018, and the RBI is concerned about the possibility of it remaining above the medium-term target of 4% in FY2019. The minutes of the April meeting of the RBI's Monetary Policy Committee reflect this worry, and the markets fear that the RBI may soon exit from its current neutral stance to one favouring monetary tightening.

The third concern relates to non-performing loans and their impact on the balance sheets and profit and loss accounts of Indian banks, especially the state-owned entities. In February 2018, the RBI did away with all special dispensations hitherto available for restructuring non-performing assets (NPAs) and, thus, put an end to an entire class of stressed asset resolutions. The rationale behind the RBI's decision was that the working of the new Insolvency and Bankruptcy Code (IBC) would pick up the slack and expeditiously resolve NPAs either through financial restructuring or liquidation. Unfortunately, despite an excellent IBC code, the actual working of the bankruptcy process through the national company law tribunals has not been as prompt as originally envisaged. Thus, the NPA overhang remains on the entire banking sector, especially on the state-owned banks, which has put a brake on bank lending needed to support 7.5% to 8% GDP growth. Moreover, the unearthing of some key lending frauds and malpractices have also reduced the bankers' appetite for extending credit.

With the sharp decline in surplus liquidity since October 2017, market interest rates have been hardening. Bank lending rates have started rising since February 2018. In January - March 2018, interest rate on the benchmark 10-year government security has seen significant volatility from a low of 7.17% to a high of 7.78%. Short term rates for commercial paper have also been volatile. Given a longer term expectation of rise in interest rates, these may have their consequential impact on growth.

Financial Year 2018-19, therefore, could be a challenging year. The positive is the general sense that India should see higher GDP growth, subject to normal monsoons. The RBI in its monetary policy report dated 5 April 2018 has projected a GDP growth of 7.4% for Financial Year 2018-19, possibly rising to 7.7% in Financial 2019-20. Thus, while SFIL expects greater economic activity and possibly higher GDP growth, it is also prepared for greater uncertainties and perturbations especially in money supply and interest rates. Industry overview NBFCs continued to grow their share in the financial services industry.

Data published by the RBI in its Financial Stability Reports dated 30 June 2017 and 21 December 2017 show that the 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.

SAINIK FINANCE & INDUSTRIES LIMITED

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 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.37.05 Crores during the current year as compared to Rs.32.10 Crores during the previous year.

iii) Total Income

During the year under review the total income of the Company was Rs 25.76 Crores as compared to Rs.9.99 Crores during the previous year.

iv) Other Income

During the year under review other income of the Company was Rs.0.11 Crores as compared to Rs.0.01 Crores during the previous year.

v) Interest and Finance Charges

During the year under review total interest and finance charges were Rs.18.22 Crores as compared to Rs.5.06 Crores during the previous year.

vi) Tax Expense

During the year under review tax expenses were Rs.1.67 Crores as compared to Rs.1.39 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. 6.62 Crores as compared to Rs. 2.63 Crores during the previous year.

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

Place : Gurugram
Dated : 14th August, 2018

Samai Singh
Director
DIN: 00235036

Rudra Sen Sindhu
Director
DIN: 00006999

SAINIK FINANCE & INDUSTRIES LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE:

To
The members
Sainik Finance & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Sainik Finance & Industries Limited for the year ended on March 31, 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **Nagar Goel & Chawla**
Chartered Accountants
FR No. 00933N

Vikash Kumar Hisariya
Partner
M. No. 511539

Place : New Delhi
Dated : 14th August, 2018

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

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

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Place : Gurugram
Dated: 14th August, 2018

Jagdish Chandra
Chief Financial Officer

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 the Company for the financial year 31st March, 2018 and certify that these statements, to the best of our knowledge and belief :
 - i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
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 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
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.
 - iii) To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Company

For SAINIK FINANCE & INDUSTRIES LIMITED

Jagdish Chandra
Chief Financial Officer

Place : Gurugram
Dated: 14th August, 2018

SAINIK FINANCE & INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAINIK FINANCE & INDUSTRIES LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of **Sainik Finance & Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit and its cash flows for the year ended on that date.

SAINIK FINANCE & INDUSTRIES LIMITED

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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure (B)".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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

Dharmender Singhal
Partner
Membership No. : 515984

Place : New Delhi
Dated : 23 May 2018

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, 2018, 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 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, 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, 2018 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, 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 : 23 May 2018

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, 2018 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, 2018, 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: 23 May 2018

Dharmender Singhal
Partner
Membership No. : 515984

SAINIK FINANCE & INDUSTRIES LIMITED

NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

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, 2018.
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, 2018.
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: 23 May 2018

Dharmender Singhal
Partner
Membership No. : 515984

SAINIK FINANCE & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	NOTE NO.	AS AT 31ST, MARCH 2018 (₹)	AS AT 31ST, MARCH 2017 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share capital	3	108,800,000	108,800,000
Reserves and surplus	4	261,699,642	212,209,774
		370,499,642	321,009,774
Non- current liabilities			
Deferred tax liabilities (net)	5	663,800	2,205,490
Other long term liabilities	6	1,500,000	1,500,000
Long-term provisions	7	13,431,953	14,712,157
		15,595,753	18,417,647
Current liabilities			
Short term borrowings	8	1,805,541,113	1,505,957,236
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	610,958	1,020,881
Other current liabilities	10	78,313,979	51,402,845
Short term provisions	7	653,510	13,901,860
		1,885,119,560	1,572,282,822
TOTAL		2,271,214,955	1,911,710,243
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment			
- Tangible assets	11	6,330,780	6,390,433
Long-term loans and advances	12	11,777,474	12,468,963
		18,108,254	18,859,396
Current assets			
Inventories	13	40,676	42,267
Trade receivables	14	767,564	1,236,686
Cash and cash equivalents	15	1,510,992	8,971,720
Short-term loans and advances	12	2,125,829,235	1,832,744,782
Other current assets	16	124,958,234	49,855,392
		2,253,106,701	1,892,850,847
TOTAL		2,271,214,955	1,911,710,243
Significant accounting policies and notes to accounts 1-34			

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

Samai Singh
Director
DIN-00235036

Place : New Delhi
Dated : 23 May, 2018

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, 2018

PARTICULARS	NOTE NO.	YEAR ENDED 31ST, MARCH, 2018(₹)	YEAR ENDED 31ST MARCH, 2017(₹)
INCOME			
I Revenue from operations	17	256,428,297	99,827,530
II Other income	18	1,149,567	101,201
III Total revenue (I+II)		257,577,864	99,928,731
IV Expense			
Changes in inventories of finished goods, work-in- progress and Stock-in- trade	19	1,591	678
Employee benefits expense	20	4,305,031	3,950,808
Finance costs	21	182,168,506	50,610,072
Depreciation and amortization expense	22	89,839	93,154
Other expense	23	4,819,969	18,450,647
Total expense		191,384,936	73,105,359
V Profit before exceptional and extraordinary items and tax (III-IV)		66,192,928	26,823,372
VI Exceptional items	24	-	513,335
VII Profit before extraordinary items and tax (V-VI)		66,192,928	26,310,037
VIII Extraordinary items		-	-
IX Profit before tax (VII-VIII)		66,192,928	26,310,037
X Tax expense:			
(1) Current tax		18,244,750	13,901,860
(2) Deferred tax assets		(1,541,690)	(15,725)
		16,703,060	13,886,135
XI Profit for the period (IX-X)		49,489,868	12,423,902
XII Earnings per equity share:			
Basic and diluted earning per share (in Rs.)		4.55	1.14
[face value of Rs. 10 each]			
See accompanying notes to the financial statements	1-34		

As per our report of even date

For **Nagar Goel & Chawla**

Chartered Accountants

ICAI Firm Registration No. : 009933N

Dharmender Singhal

Partner

Membership No. 515984

Place : New Delhi

Dated : 23 May, 2018

On behalf of the Board of Directors

For SAINIK FINANCE & INDUSTRIES LIMITED

Rudra Sen Sindhu

Director

DIN-00006999

Kunal Gupta

Company Secretary

PAN-ATCPG6054B

Samai Singh

Director

DIN-00235036

Jagdish Chandra

Chief financial officer

PAN-AAJPU3255G

SAINIK FINANCE & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	YEAR ENDED 31ST, MARCH, 2018(₹)	YEAR ENDED 31ST MARCH, 2017(₹)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	66,192,928	26,823,372
<u>Adjustments for :-</u>		
Depreciation and amortisation	89,839	93,154
Provision for standard, sub-standard assets & gratuity	(626,694)	13,244,450
Bad debt written off (net)	385,990	20,000
Profit on sale of assets	-	(513,335)
Operating profit before working capital changes-	66,042,063	39,667,641
<u>Adjustments for :-</u>		
Increase in short-term loans and advances	(293,084,453)	(1,310,728,337)
Decrease/(increase) in other current assets	(75,102,842)	9,042,177
Decrease in inventories	1,591	678
Decrease in trade payables & other liabilities	26,501,211	65,913
Decrease in trade receivables	83,132	1,802,515
<u>Cash used in operations-</u>	(275,559,298)	(1,260,149,413)
Income tax refund	-	582,927
Income tax paid for previous years	-	547,132
Income tax paid	(28,880,225)	(12,730,671)
Net cash used in operating activities (A)	(304,439,523)	(1,271,750,025)
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(30,186)	-
Proceeds from property, plant and equipment	-	1,450,000
Proceeds in loan and advances	(2,574,896)	1,144,396
Net cash from / (used in) investing activities (B)	(2,605,082)	2,594,396
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from intercorporate deposits	299,583,877	1,271,722,985
Net cash from financing activities (C)	299,583,877	1,271,722,985
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(7,460,728)	2,567,356
Cash and cash equivalents as at the beginning of the year (refer note no. 15)	8,971,720	6,404,364
Cash and cash equivalents as at the end of the year (refer note no. 15)		
- Cash and cash equivalents	1,510,992	8,971,720
	1,510,992	8,971,720

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

Samai Singh
Director
DIN-00235036

Place : New Delhi
Dated : 23 May, 2018

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, 2018

1. **General**

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

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

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

2. **Significant Accounting Policies**

A. **Basis of Accounting**

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.

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.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- 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.

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.
- iii) The securities acquired with the intention of short term holding and trading positions are considered as inventories and disclosed as current assets. The securities held as inventories under current assets are valued at lower of cost or market value as at 31st March, 2018 is considered as market value.

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 capitalised only when it increases the future economic benefits from the specific asset to which it relates. Tangible fixed assets under construction are disclosed as capital work-in-progress.

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 amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Leasehold improvements

Leased assets of the Company are valued at historical cost less depreciation and lease adjustment account.

Depreciation and amortization

Depreciation / amortisation is 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.

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 recognised 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.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

G. Loans

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.

H. 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.

I. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

J. Taxes on income

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

K. 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.

L. Borrowing costs

Borrowing costs consists 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.

M. Foreign currency transactions

Foreign exchange transactions are recorded the spot rate on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss.

Non monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions.

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, 2018

3. SHARE CAPITAL

(All amount in ₹)

	As at 31st March 2018	As at 31st March 2017
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 2018		As at 31st March 2017	
	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 2018		As at 31st March 2017	
	No. of Shares	(%)	No. of Shares	(%)
Kuldeep Singh Solanki	1,963,246	18.04%	1,786,653	16.42%
Rudra Sen Sindhu	794,099	7.30%	617,506	5.68%
Sindhu Trade Links Limited	1,173,565	10.79%	1,173,565	10.79%
Maneesha Finlease Ltd.	1,046,159	9.62%	1,046,159	9.62%
Total	4,977,069	45.75%	4,623,883	42.50%

4. RESERVES & SURPLUS

	As at 31st March 2018	As at 31st March 2017
General Reserve		
Balance as per last year	7,191,579	7,191,579
Reserve Fund		
Balance as per last year	55,122,419	49,860,412
Add : Transferred from P&L Account	9,897,974	5,262,007
Surplus in the statement of profit and loss account		
Balance as per last year	109,880,776	94,090,186
Add : Profit for the year	49,489,868	12,423,902
Add : Provision for bad & doubtful debts written back	-	6,343,826
Add : Provision for standard assets written back	-	1,737,737
	<u>159,370,644</u>	<u>114,595,651</u>
Less : Appropriations -		
Transfer to reserve fund (Pursuant to RBI norms)	9,897,974	5,262,007
Demand/(excess) provision of income tax for earlier years	-	(547,132)
	149,472,670	109,880,776
Securities Premium Reserve		
Balance as per last year	40,015,000	40,015,000
	<u>261,699,642</u>	<u>212,209,774</u>

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

5 DEFERRED TAX LIABILITY (Net)	(All amount in ₹)	
	As at 31st March 2018	As at 31st March 2017
Deferred tax liability on account of :		
- Related to property, plant and equipment	1,232,981	2,205,490
Deferred tax asset on account of :		
- Related to gratuity	569,181	-
Net deferred tax liability	663,800	2,205,490

6 OTHER LONG TERM LIABILITIES	As at 31st March 2018	As at 31st March 2017
Lease Security Deposit	1,500,000	1,500,000
	1,500,000	1,500,000

7 PROVISIONS	Long-Term		Short-Term	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
For income tax				
Assessment year 2017-18	-	-	-	13,901,860
For Reserve Bank of India (pursuant to RBI norms)				
Sub-standard assets (NPA)	6,402,269	6,362,692	-	-
Standard assets 0.25% (previous year 0.35%)	5,617,202	6,568,651	-	-
Provision for employee benefits				
For gratuity	1,412,482	1,780,814	653,510	-
	13,431,953	14,712,157	653,510	13,901,860

- 7.1 Upto the financial year ended 31.03.2017, the company has made provision for non-performing assets of Rs.63,62,692/- under RBI Act 1949. The company has made further provision of Rs.39,577/- for non-performing assets in the financial year ended 31.03.2018.
- 7.2 Upto the financial year ended 31.03.2017, the company has made provision for standard assets of Rs.65,68,651/- under RBI Act 1949. The company has reverse the provision by Rs.9,51,449/- for standard assets in the financial year ended 31.03.2018.
- 7.3 Upto the financial year ended 31.03.2017, the company has made provision for gratuity of Rs.17,80,814/- under the payment of Gratuity Act, 1972. The company has made further provision of Rs.2,85,178/- for gratuity in the financial year ended 31.03.2018.

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

8 SHORT TERM BORROWINGS

(All amount in ₹)

	As at 31st March 2018	As at 31st March 2017
Unsecured		
From related parties		
Inter corporate deposits (refer note no. 29)	7,650,731	6,849,357
From others		
Inter corporate deposits	1,797,890,382	1,499,107,879
	1,805,541,113	1,505,957,236

9 TRADE PAYABLES

	As at 31st March 2018	As at 31st March 2017
Outstanding to micro, small and medium enterprises*	-	-
Others	610,958	1,020,881
	610,958	1,020,881

* 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 2018	As at 31st March 2017
Interest accrued and due on borrowings	59,484,214	45,523,264
Statutory dues	18,335,962	5,224,811
Expenses payable	493,803	541,956
Advances from customers	-	112,814
	78,313,979	51,402,845

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 11 PROPERTY, PLANT AND EQUIPMENTS

PARTICULARS	Useful Life (in Years)	GROSS BLOCK			DEPRECIATION BLOCK			LEASE ADJUSTMENT BLOCK			NET BLOCK		
		As at 01st April, 2017	Addition During the Year	Sale/ Adjustment during the year	As at 31st March, 2018	As at 01st April, 2017	For the year	Sale/ Adjustment during the year	As at 01st April, 2017	For the year	Sale/ Adjustment during the year	As at 31st March, 2018	As at 31st March, 2017
Tangible assets													
Finance division													
Assets on lease													
Other equipments	13	5,300,000	-	-	5,300,000	5,134,720	-	-	5,134,720	(3,278,624)	-	(3,278,624)	3,443,904
Car/jeep	8	591,000	-	-	591,000	591,000	-	-	591,000	-	-	-	-
Scooter/Motorcycle	10	62,875	-	-	62,875	62,875	-	-	62,875	-	-	-	-
Office equipments	5	1,107,790	-	-	1,107,790	1,107,790	-	-	1,107,790	-	-	-	-
Computer	3	279,824	7,424	-	287,248	255,793	10,171	-	265,964	-	-	-	21,284
Furniture & fixture	10	534,066	-	-	534,066	534,066	-	-	534,066	-	-	-	-
Manufacturing division													
Land		1,603,360	-	-	1,603,360	-	-	-	-	-	-	-	1,603,360
Building	30	1,917,204	-	-	1,917,204	627,159	60,775	-	687,934	-	-	-	1,229,270
Car/jeep	8	501,669	-	-	501,669	501,669	-	-	501,669	-	-	-	-
Furniture & fixture	10	1,413,749	-	-	1,413,749	1,384,656	18,768	-	1,403,424	-	-	-	10,325
Office equipments	5	199,000	22,762	-	221,762	199,000	125	-	199,125	-	-	-	22,637
Computer	3	210,322	-	-	210,322	210,322	-	-	210,322	-	-	-	-
Current Year		13,720,859	30,186	-	13,751,045	10,609,050	89,839	-	10,698,889	(3,278,624)	-	(3,278,624)	6,330,780
Previous Year		16,499,954	-	2,779,095	13,720,859	11,331,656	93,154	815,760	10,609,050	(3,278,624)	-	(3,278,624)	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, 2018

12 LOANS & ADVANCES (All amount in ₹) (Unsecured Considered Good, unless otherwise stated)

	Long-Term		Short-Term	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
From related parties				
Corporate loan/Inter corporate deposit's (refer note no. 29)	-	-	147,934,553	148,231,046
From others				
Corporate loan/Inter corporate deposit's	-	-	1,956,517,383	1,662,832,875
Other loans and advances				
Advance tax & TDS	8,945,969	12,212,354	-	-
Security deposits	840,292	-	-	840,292
Balances with government authorities	-	-	263,170	-
Other advances recoverable	-	-	23,000	538,940
Trade advances	2,419,650	426,155	22,087,573	20,999,977
Less : Unmatured interest	428,437	169,546	996,444	698,348
	11,777,474	12,468,963	2,125,829,235	1,832,744,782

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

	As at 31st March 2018	As at 31st March 2017
Finished goods (At cost or market price whichever is lower)	3,200	3,200
Shares (At cost or market price whichever is lower)	37,476	39,067
	40,676	42,267

14 TRADE RECEIVABLES (Unsecured considered good, unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Hypothecation Money Receivable		
Outstanding for a period exceeding 6 month	680,855	680,855
Other Debts	-	-
	680,855	680,855
Less: Unmatured Finance Charges (NPA)	-	-
	680,855	680,855
Cement Receivable		
Outstanding for a period exceeding 6 month	86,709	555,831
Other Debts	-	-
	86,709	555,831
	767,564	1,236,686

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

15 CASH AND CASH EQUIVALENTS

(All amount in ₹)

	As at 31st March 2018	As at 31st March 2017
Cash balance on hand#	121,516	153,155
Balances with banks		
- in Current account	1,389,476	8,818,565
	1,510,992	8,971,720
	1,510,992	8,971,720

Cash Balance on hand including imprest with employee

16 OTHER CURRENT ASSETS

	As at 31st March 2018	As at 31st March 2017
Interest accrued and due	77,979,063	42,466,183
Interest accrued but not due	46,979,171	7,389,209
	124,958,234	49,855,392
	124,958,234	49,855,392

17 REVENUE FROM OPERATIONS

	For the year ended 31st March 2018	For the year ended 31st March 2017
Sales		
Sale of PCC poles	-	5,260
Interest & finance charges		
Interest income	256,428,297	99,822,270
	256,428,297	99,827,530
	256,428,297	99,827,530

18 OTHER INCOME

	For the year ended 31st March 2018	For the year ended 31st March 2017
Miscellaneous receipts	100,831	-
Insurance claim received	-	55,000
Sale of scrap	97,287	46,201
Reversal of provision for standard asset	951,449	-
	1,149,567	101,201
	1,149,567	101,201

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
<u>Finished & Semi Finished Goods</u>		
A. Opening Stock		
Finished Goods	3,200	8,000
Semi-Finished Goods	-	-
	3,200	8,000
Add : Purchased during the year	-	-
	3,200	8,000
B. Less : Closing Stock		
Finished Goods	3,200	3,200
	3,200	3,200
(Increase)/Decrease in Stocks (A-B)	-	4,800
<u>Shares & Units</u>		
Opening Stock	39,067	34,945
Add : Purchased during the year	-	-
	39,067	34,945
Less : Sales/Adjustment During the year	-	-
Less : Closing Stock	37,476	39,067
	1,591	(4,122)
(Increase)/decrease in stocks	1,591	678
20 EMPLOYEE BENEFITS EXPENSE		
Salary, wages and other benefits	3,965,473	3,572,036
Staff welfare	54,380	65,665
Provision for gratuity	285,178	313,107
	4,305,031	3,950,808
20.1 Salary includes Director remuneration of Rs Nil (Previous year Rs.Nil)		
21 FINANCE COSTS		
Interest Paid on loan	182,166,176	50,605,832
Bank/BG Charges	2,330	4,240
	182,168,506	50,610,072
22 DEPRECIATION AND AMORTIZATION EXPENSE		
Deprecation and amortization	89,839	93,154
	89,839	93,154

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

23 OTHER EXPENSES

	For the year ended 31st March 2018	For the year ended 31st March 2017
Advertisement Expenses	91,568	100,892
Repairs & Maintenance		
Building	101,500	543,110
Office	71,800	121,695
Travelling & conveyance	113,267	101,076
Rates fees & taxes	1,257,092	398,310
General expenses	75,470	133,222
Security expenses	843,722	708,694
Electricity & water charges	283,891	352,223
Donation	5,100	2,100
Legal & professional charges	767,505	1,981,018
Newspaper & periodicals	2,080	11,660
Auditor's remuneration (refer note no. 25)	262,500	287,500
AGM expenses	53,044	41,290
Printing & stationery	64,075	102,566
Postage & courier	21,618	117,473
Telephone expenses	51,110	58,293
Software maintenance expenses	-	36,800
Rent paid	60,000	95,000
Internal audit fees & expenses	243,200	266,340
Diwali expenses	25,860	40,042
Bad debts written Off	385,990	20,000
Provision for bad & doubtful debts (pursuant to RBI norms)	39,577	6,362,692
Provision for standard assets (pursuant to RBI norms)	-	6,568,651
	4,819,969	18,450,647
24 EXCEPTIONAL ITEMS		
Loss on Sale of Assets	-	513,335
	-	513,335

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

25. Auditor's remuneration :	(All amount in ₹)	
Particulars	2017-18	2016-17
Statutory and tax audit fee	2,62,500	2,50,000
Taxes	-	37,500
Total	2,62,500	2,87,500

26. Contingent Liability - Rs. Nil (previous year - Nil)

27. Balances shown under the head of current assets, loans and advances are considered as good and recoverable by the management.

28. Debit balances of debtors are subjected to confirmation and reconciliation form respective parties. The final adjustment, if any, in the account of parties shall be known only after confirmation / reconciliation, the amount of which could not be ascertained.

29. As per the accounting standard (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) Associates and Others :

a) Kapil Construction Private Limited		Shareholding
b) Indus Portfolio Private Limited		Director /Shareholding
c) Mittersen Agro Farms Private Limited		Director /Shareholding
d) Kartikay Exploration & Mining Services Pvt. Ltd.		Director Relative Interested
e) TAS Integrators Private Limited		Director Relative Interested

ii) Joint Venture :

Sainik Automobile		Director Relative Interested
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iii) Key Management Personnel :

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

c) Related party transactions

<u>Transaction</u>	<u>Associates</u>	<u>Key Management</u>	<u>Total</u>
Services Received			
Indus Portfolio Private Limited	10,000	-	10,000
	(10,350)	(-)	(10,350)
Kapil Construction Private Limited	60,000	-	60,000
	(60,000)	(-)	(60,000)
Finance provided			
Tas Integrators Private Limited	10,20,762	-	10,20,762
	(63,50,000)	(-)	(63,50,000)
Refund of finance provided			
Tas Integrators Private Limited	55,00,000	-	55,00,000
	(5,50,000)	(-)	(5,50,000)
Interest income			
Sainik Automobile	4,25,000	-	4,25,000
	(4,25,000)	(-)	(4,25,000)
Kartikay Exploration & Mining Services Private Limited	2,18,75,998	-	2,18,75,998
	(1,92,74,007)	(-)	(1,92,74,007)
Tas Integrators Private Limited	4,04,797	-	4,04,797
	(8,41,863)	(-)	(8,41,863)
Interest paid			
Mittersen Agro Farms Private Limited	9,94,595	-	9,94,595
	(8,90,416)	(-)	(8,90,416)

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

Salary to key managerial personnel			
Kapil Sharma	-	9,84,200	9,84,200
	(-)	(9,04,507)	(9,04,507)
Jagdish Chandra	-	14,08,764	14,08,764
	(-)	(12,89,327)	(12,89,327)
Kunal Gupta	-	1,44,000	1,44,000
	(-)	(1,44,000)	(1,44,000)

Figures in () are of previous year 31 March 2017

d) **Particulars of balances as on 31st March, 2018 in respect of related party transactions :**

<u>Transaction</u>	<u>Associates</u>	<u>Key Management</u>	<u>Total</u>
Finance provided			
Kartikay Exploration & Mining Services Private Limited	14,58,39,985	-	14,58,39,985
	(14,25,14,916)	(-)	(14,25,14,916)
Tas Integrators Private Limited	20,94,568	-	20,94,568
	(57,16,130)	(-)	(57,16,130)
Finance received			
Mittersen Agro Farms Private Limited	76,50,731	-	76,50,731
	(68,49,357)	(-)	(68,49,357)
Trade advances			
Sainik Automobile	32,65,000	-	32,65,000
	(28,82,500)	(-)	(28,82,500)
Interest accrued but due on borrowings			
Mittersen Agro Farms Private Limited	8,95,135	-	8,95,135
	(8,01,374)	(-)	(8,01,374)
Interest accrued and due on finance provided			
Kartikay Exploration & Mining Services Pvt. Ltd.	1,96,88,398	-	1,96,88,398
	(33,25,069)	(-)	(33,25,069)
Tas Integrators Private Limited	3,64,317	-	3,64,317
	(8,57,676)	(-)	(8,57,676)

Figures in () are of previous year 31 March 2017

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

- a) Appropriated 20% of the net profit to "Reserve Fund" under section 45-IC of the RBI Act.1934. - Rs 98,97,974/- (Previous year Rs. 52,62,007/-)
- b) Break up of other 'Provisions and Contingencies' have shown under the head Expenditure in Profit & Loss Account (in Rs.)

Sl	Particulars	2017-18	2016-17
1	Provision for depreciation on investment	Nil	Nil
2	Provision towards non-performing assets	39,577	63,62,692
3	Provision made towards income tax-current	1,82,44,750	1,39,01,860
4	Other provisions and contingencies	Nil	Nil
5	Provision for standard assets 0.25% (Previous Year 0.35%)	(9,51,449)	65,68,651

- 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:	<u>Amount outstanding</u>	<u>Amount overdue</u>
(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	1,86,50,25,327	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Other Loans	Nil	Nil

* Please see Note 1 below

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

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	17,12,52,268	17,12,52,268
2. Other than related parties	Nil	2,08,12,40,244	2,08,12,40,244
Total	Nil	2,25,24,92,512	2,25,24,92,512

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	1,17,86,455
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	74,61,156
(iii) Assets acquired in satisfaction of debt	Nil

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

- Notes :** i) As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- ii) Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- iii) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

31. Earnings per share :

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

Particulars	2017-18	2016-17
Profit after tax attributable to equity shareholders (Rupees)	4,94,89,868	1,24,23,902
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)	4.55	1.14

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

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

- a) Licensed & installed capacity and actual production in MT: Nil (previous year- Nil)
- b) Quantitative detail of consumption of raw materials and packing material : Nil (previous year- Nil)
- c) Quantitative Detail of Finished Goods:

Particulars	<u>Opening Stock</u>				<u>Closing Stock</u>			
	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.	Cr. Yr.	Pr. Yr.
	Quantity (Nos)		Amount		Quantity (Nos)		Amount	
Poles	2	5	3,200	8,000	2	2	3,200	3,200

d) Sales:

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

SAINIK FINANCE & INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

e) Quantitative detail of Shares/Stock

NAME OF SCRIPT	OPENING		PURCHASES		SALES/ADJUSTMENT		CLOSING STOCK			
	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT	QTY.	COST PRICE	MARKET RATE	COST OR MARKET PRICE WHICHEVER IS LESS
RANA MOHENDRA PAPERS LIMITED*	1,300	3,900	-	-	-	-	1,300	39,917	3,900	3,900
BIRLA CENTURY FINANCE LTD.*	500	4,950	-	-	-	-	500	30,662	4,950	4,950
CHINAR EXPORTS LTD.*	300	3,600	-	-	-	-	300	15,846	3,600	3,600
HOTEL SHREE KRISHNA INTL.*	600	1,140	-	-	-	-	600	13,410	1,140	1,140
HANSAFLON PLASTOCHEM. LTD.*	100	110	-	-	-	-	100	4,368	110	110
NAHAR SUGAR & ALLIED IND.LTD*	100	2,405	-	-	-	-	100	7,511	2,405	2,405
THE TIMES GAURANTEE LTD.	100	3,385	-	-	-	-	100	12,696	4,050	4,050
OSWAL AGRO LTD	500	5,180	-	-	-	-	500	20,213	6,525	6,525
SOMDATT FINANCE CORP. LTD.	700	4,067	-	-	-	-	700	54,033	3,129	3,129
ARVIND LTD	9	3,555	-	-	-	-	9	6,445	3,447	3,447
NAMESTE EXPORTS LTD.	200	520	-	-	-	-	200	17,322	520	520
SHREE RAM URBAN INFRAST. LTD.	100	6,255	-	-	-	-	100	47,559	3,700	3,700
TOTAL	4,509	39,067	-	-	-	-	4,509	2,69,982	37,476	37,476

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

34. 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

Dharmender Singhal
Partner
Membership No. 515984

Place : New Delhi
Dated : 23 May, 2018

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

Rudra Sen Sindhu
Director
DIN-00006999

Kunal Gupta
Company Secretary
PAN-ATCPG6054B

Samai Singh
Director
DIN-00235036

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 26th Annual General Meeting of the Company, to be held on Saturday, 29th day of September, 2018 at 9.30 a.m. at Farm House of M/s Kapil Constructions Private Limited, Anandgram (Rajokari), Church Road Extension, Mata Amritanandmayi Math, Abdul Gaffar Khan Marg, New Delhi-110 070 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Please mention number of shares)		
		For	Against	Abstain
	Ordinary Business:			
1.	Adoption of the Annual Financial Statements of the Company for the Financial year ended 31st March, 2018, including the audited Balance Sheet as at 31st March, 2018, 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. Rudra Sen Sindhu, who retires by rotation and, being eligible, offers himself for re-appointment			
3.	Approval for appointment of M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) as statutory auditor of the Company and to fix their remuneration			

Signed this day ofof 2018.

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 26th Annual General Meeting on Saturday, 29th September, 2018 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 26th Annual General Meeting of the Company on Saturday, 29th day of September, 2018.

(*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:

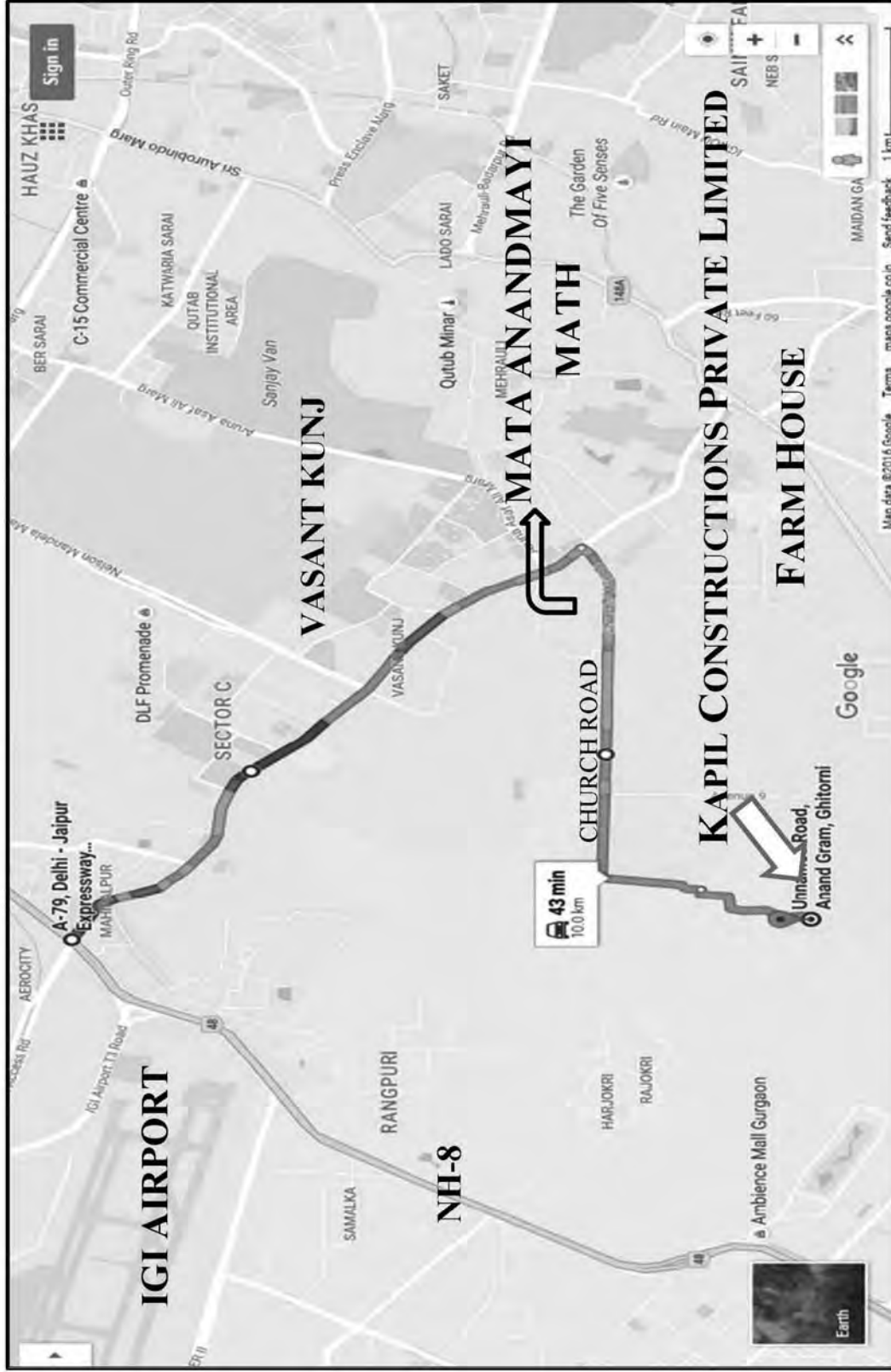
No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of the Annual Financial Statements of the Company for the Financial year ended 31st March, 2018, including the audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss for 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. Rudra Sen Sindhu, who retires by rotation and, being eligible, offers himself for re-appointment			
3.	Approval for appointment of M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi (bearing ICAI Registration No.009933N) as statutory auditor of the Company and to fix their remuneration			

Place:

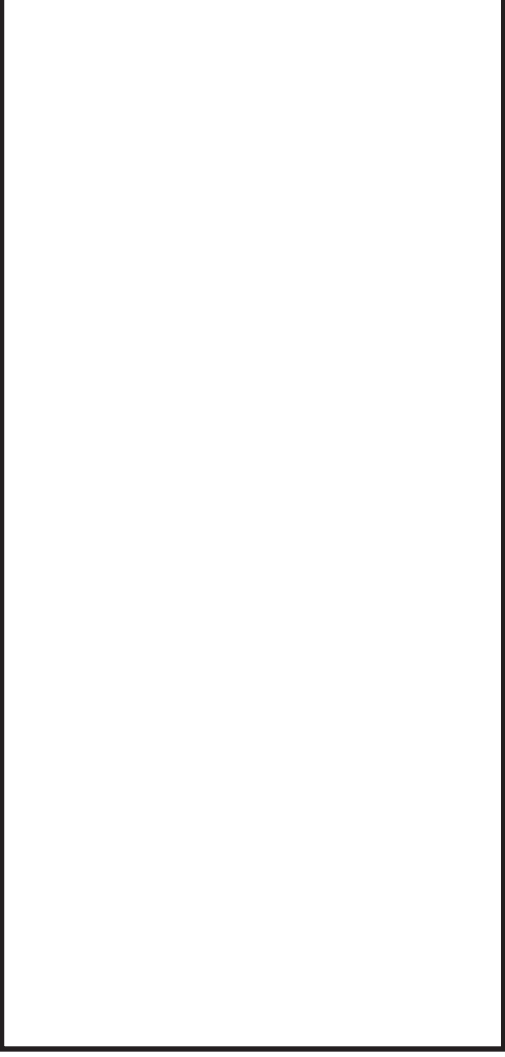
Date:

(Signature of shareholder/Proxy)

ROUTE MAP TO VENUE FOR ANNUAL GENERAL MEETING



BOOK-POST



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