

# **SITAL LEASING AND FINANCE LIMITED**

**THIRTY SIXTH  
ANNUAL REPORT  
2018-19**



## CONTENTS

S. NO.	PARTICULARS
1.	Corporate Information
2.	Notice
3.	Route Map
4.	Director's Report
5.	Management Discussion & Analysis Report (Annexure-II)
6.	Corporate Governance Report (Annexure-III)
7.	Independent Auditor's Report (Annexure-V) Financial Statements: Balance Sheet Statement Profit & Loss Account Cash Flow Statement Accounting Policies and Notes on Accounts
8.	Secretarial Audit Report (Annexure-VI)
9.	Proxy Form
10.	Attendance Slip

# **CORPORATE INFORMATION**

CIN: L65910HR1983PLC050169

## **BOARD OF DIRECTORS**

Mr. Surendra Kumar Jain, Managing Director  
Mrs. Priti Jain, Director  
Mr. Sujan Mal Mehta, Independent Director  
Mr. Anil Prakash, Independent Director

## **COMPANY SECRETARY**

Ms. Nishu Jain\*

**\*Ms. Nishu Jain an Associate Member of the ICSI, Delhi has been appointed, by the Board of Directors of the Company, as Company Secretary of the Company from 22<sup>th</sup> April, 2019**

## **SECRETARIAL AUDITORS**

M/s Babita and Associates (Practicing Company Secretaries)  
B-44, 1st Floor, Chankya place, PT-1,  
Uttam Nagar, New Delhi -110059.

## **STATUTORY AUDITORS**

M/s PBH & Co. (Chartered Accountants)  
489/1, Indra Colony,  
Rohtak, Haryana-124001

## **SCRUTINIZER**

B Kaushik and Associates, (Company Secretaries)  
Office No. 101,110 and 111, Abhishek business centre, D-248, Gali No. 10, Laxmi  
Nagar, Near Laxmi Nagar Metro Station Gate No. 1, Delhi -110092

## **INTERNAL AUDITOR**

Mr. Deepak Bhojak

## **REGISTERED OFFICE**

Office No. 322, 3<sup>rd</sup> Floor, S.S. Plaza Commercial Complex  
Mayfield Garden, Sector-47, Gurugram, Haryana- 122001

## **CORPORATE OFFICE**

16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005

## **BANKERS**

Dena Bank, Nehru Place, New Delhi  
HDFC Bank, Old Rajinder Nagar, New Delhi

## **REGISTRAR AND TRANSFER AGENT**

Bigshare Services Pvt. Ltd.  
302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019

## **STOCK EXCHANGE(S) WHERE COMPANY'S SECURITIES ARE REGISTERED**

Metropolitan Stock Exchange of India Limited  
(MSEI)

## **EMAIL**

sitalleasing83@gmail.com, sitalleasing@gmail.com

## **INVESTORS HELPDESK & EMAIL**

Ms. Nishu Jain  
Company Secretary cum Compliance officer  
sitalleasing83@gmail.com

## **WEBSITE**

[www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

## **CONTACT NO.**

+91-9891709895

# **BOARD COMMITTEE**

## **AUDIT COMMITTEE**

Mr. Anil Prakash, Chairperson  
Mr. Surendra Kumar Jain, Member  
Mr. Sujan Mal Mehta, Member

## **NOMINATION & REMUNERATION COMMITTEE**

Mr. Anil Prakash, Chairperson  
Mrs. Priti Jain, Member  
Mr. Sujan Mal Mehta, Member

## **STAKEHOLDER RELATIONSHIP COMMITTEE**

Mr. Sujan Mal Mehta, Chairperson  
Mrs. Priti Jain, Member  
Mr. Anil Prakash, Member

## **RISK MANAGEMENT COMMITTEE**

Mrs. Priti Jain, Chairperson  
Mr. Sujan Mal Mehta, Member  
Mr. Anil Prakash, Member

## **ASSET LIABILITY MANAGEMENT COMMITTEE**

Mrs. Priti Jain, Chairperson  
Mr. Sujan Mal Mehta, Member  
Mr. Anil Prakash, Member

## **INVESTMENT COMMITTEE**

Mrs. Priti Jain, Chairperson  
Mr. Sujan Mal Mehta, Member  
Mr. Anil Prakash, Member

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Mrs. Priti Jain, Chairperson  
Mr. Sujan Mal Mehta, Member  
Mr. Surendra Kumar Jain, Member

# **SITAL LEASING AND FINANCE LIMITED**

**Regd. Office:** 322, 3<sup>rd</sup> Floor, S.S Plaza Commercial Complex, Mayfield Garden,  
Sector-47, Gurugram, Haryana- 122001

**Corp. Office:** 16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005

**CIN:** L65910HR1983PLC050169; **Ph. No.:** 91-9891709895

**E-mail Id:** sitalleasing83@gmail.com, sitalleasing@gmail.com

**Website:** www.sitalleasingfinance.com

## **NOTICE**

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Company will be held on Saturday, 28<sup>th</sup> Day of September, 2019 at 11:00 A.M. at Empiru Entertainment, 389P, Sector 29, Gurgaon, Haryana-122022 to transact the following Businesses:

### **ORDINARY BUSINESS**

#### **1. Approval of Financial Results, Director's & Auditor's Report**

To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 and Statement of Profit and Loss for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.

#### **2. Retire by rotation as per section 152(6) of Companies Act, 2013**

To appoint a Director in place of Mrs. Priti Jain (DIN: 00537234), a Director who retires by rotation and being eligible offers herself for re- appointment.

#### **3. Appointment of Statutory Auditor**

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

**“RESOLVED THAT** pursuant to the provisions of sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as may be applicable, M/s MAK & Co., Chartered Accountants (FRN -028454N), be and are hereby appointed as statutory auditors of the company, in place of auditor M/s PBH & Co., Chartered Accountants (FRN: 027217N) to hold office from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting (AGM) of the company to be held in the F.Y 2023-24, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.”

## **SPECIAL BUSINESS**

### **4. To re-appoint Mr. Sujan Mal Mehta as Independent Director**

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

**“RESOLVED THAT** pursuant the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force) read Schedule IV to the Companies Act, 2013, Mr. Sujan Mal Mehta (DIN: 01901945) in respect of whom the Company has received required declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years w.e.f 28th September 2019 until the conclusion of Annual General Meeting of the company to be held in the year 2024.”

### **5. To re-appoint Mr. Anil Prakash as Independent Director**

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

**“RESOLVED THAT** pursuant the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force) read Schedule IV to the Companies Act, 2013, Mr. Anil Prakash (DIN: 05187809) in respect of whom the Company has received required declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years w.e.f 28th September 2019 until the conclusion of Annual General Meeting of the company to be held in the year 2024.”

### **6. To appoint Mr. Surendra Kumar Jain as Managing Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s)

thereof for the time being in force), Mr. Surendra Kumar Jain, DIN: 00530035, be and is hereby appointed as Managing Director of the Company for a period of 5 years without any remuneration with effect from 15th May, 2019 to perform the duties which may be performed under Companies Act, 2013 & any other duties assigned to him by the board from time to time. Appointment of Mr. Surendra Kumar Jain as Managing Director has been approved by Board of Directors in their meeting held on 15th May, 2019”

**By Order of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**DATE: 02-09-2019  
PLACE: GURUGRAM**

**NISHU JAIN  
COMPANY SECRETARY  
M.NO. A58126**



## NOTES

- (i) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE AT A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY, DULY COMPLETE AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
- (ii) THERE ARE SPECIAL BUSINESSES PROPOSED IN NOTICE HENCE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 WHICH SETS OUT DETAILS RELATING TO SPACIAL BUSINESS AT THE MEETING, IS ANNEXED HEREWITH.
- (iii) Corporate Members intending to send their respective authorized representative are requested to send a duly certified copy of the Board/ Governing Body resolution authorizing such representative to attend and vote at the Annual General Meeting.
- (iv) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (v) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2019 to 28<sup>th</sup> September, 2019 (both days inclusive).
- (vi) Details under Regulation 26 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Director has furnished the requisite declarations for re-appointment to the Company.
- (vii) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. **M/s Bigshare Services Pvt. Ltd., 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019**. Beneficial owners holding shares in electronic form are requested to intimate change in address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their

respective Depository Participants (DP). Members are requested to register/ update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.

- (viii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
- (ix) Electronic copy of the Annual Report for financial year 2018-19 along with the Notice of the Thirty Sixth Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2018-19 along with Notice of the Thirty Sixth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
- (x) Members may also note that the Notice of the Thirty Sixth Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com). The physical copies of the aforesaid documents will also be available at the Company's Corporate Office in New Delhi for inspection during normal business hours on all working day.
- (xi) Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [sitalleasing83@gmail.com](mailto:sitalleasing83@gmail.com).
- (xii) Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
- (xiii) All documents referred to in the accompanying Notice are open for inspection at the corporate office of the Company during normal business hours on all working day.

- (xiv) The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.

### **Voting Through Electronics Means**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system. The Notice of the Thirty Sixth Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com). The facility for voting through Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

### **PROCEDURE TO LOGIN TO E-VOTING WEBSITE**

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

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

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### How to Log-into NSDL e-Voting website?

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.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

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.*

Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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***
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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 to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. 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](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

### **How to 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.

### **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who

are authorized to vote, to the Scrutinizer by e-mail to [pcsbhk@gmail.com](mailto:pcsbhk@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

4. The remote e-voting period commenced on 25<sup>th</sup> September, 2019 at 9.00 a.m. and ends on 27<sup>th</sup> September, 2019 at 5.00 p.m. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date 21<sup>th</sup> September, 2018.

**By Order of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**DATE: 02-09-2019  
PLACE: GURUGRAM**

**NISHU JAIN  
COMPANY SECRETARY  
M.NO. A58126**

## **OTHER INFORMATION**

1. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Saturday, September 21, 2019.
2. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
3. Shareholders of the Company, holding either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 21, 2019 may only cast their vote at the Thirty Sixth Annual General Meeting.
4. Mr. Bhupendra Kaushik of M/s B Kaushik and Associates having CP No. – 12453 and M. No. – F9884 been appointed as the Scrutinizer for the Purpose of Annual General Meeting.
5. The Scrutinizer shall after the conclusion of voting at the AGM, first count the voting cast at the meeting and make a Scrutinizer's Report of the votes cast in favour or against, if any, and to submit the same to the Chairman of the AGM not later than two working days from the conclusion of the AGM.
6. The Results shall be declared forthwith after the submission of Scrutinizer's Report either by Chairman of the Company or by any person authorized by him in writing and the resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
7. The Results declared along with the Scrutinizer's Report will be available on the website of the Company [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com) after the declaration of the results by the Chairman.



## **EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT, 2013**

### **ITEM NO 4**

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sujan Mal Mehta (DIN: 01901945) was appointed as an Independent Directors on the Board of the Company for a period of 5 (Five) consecutive years.

On the recommendation of the Nomination and Remuneration of Committee, based upon the performance evaluation of Independent Directors and the Board considers that, given their backgrounds, rich experiences of diversified sectors and contributions made by him during their tenure, the continued association of Mr. Sujan Mal Mehta would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, the Board has recommended re-appointment of Mr. Sujan Mal Mehta as an Independent Directors of the Company, not liable to retire by rotation, with effective from 28th September 2019.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Sujan Mal Mehta is interested in the resolutions set out respectively at Item No. 4 of the Notice with regard to his respective re-appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Resolutions set out at Item Nos. 4 of the Notice for approval by the Members by way of Special Resolution.

## **ITEM NO 5**

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Anil Prakash (DIN: 05187809) was appointed as an Independent Directors on the Board of the Company for a period of 5 (Five) consecutive years.

On the recommendation of the Nomination and Remuneration of Committee, based upon the performance evaluation of Independent Directors and the Board considers that, given their backgrounds, rich experiences of diversified sectors and contributions made by him during their tenure, the continued association of Mr. Anil Prakash would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, the Board has recommended re-appointment of Mr. Anil Prakash as an Independent Directors of the Company, not liable to retire by rotation, with effective from 28th September 2019.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Anil Prakash is interested in the resolutions set out respectively at Item No. 5 of the Notice with regard to his respective re-appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Resolutions set out at Item Nos. 5 of the Notice for approval by the Members by way of Special Resolution.

## **ITEM NO. 6**

Mr. Surendra Kumar Jain, DIN: 00530035, be and is hereby appointed as Managing Director of the Company for a period of 5 years without any remuneration with effect from 15th May, 2019 to perform the duties which may be performed under Companies Act, 2013 & any other duties assigned to him by the board from time to time.

None of the Directors / Key Managerial Personnel / their relatives except Mr. Surendra Kumar Jain to the extent of his shareholding/directorship is in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 6 of the Notice.

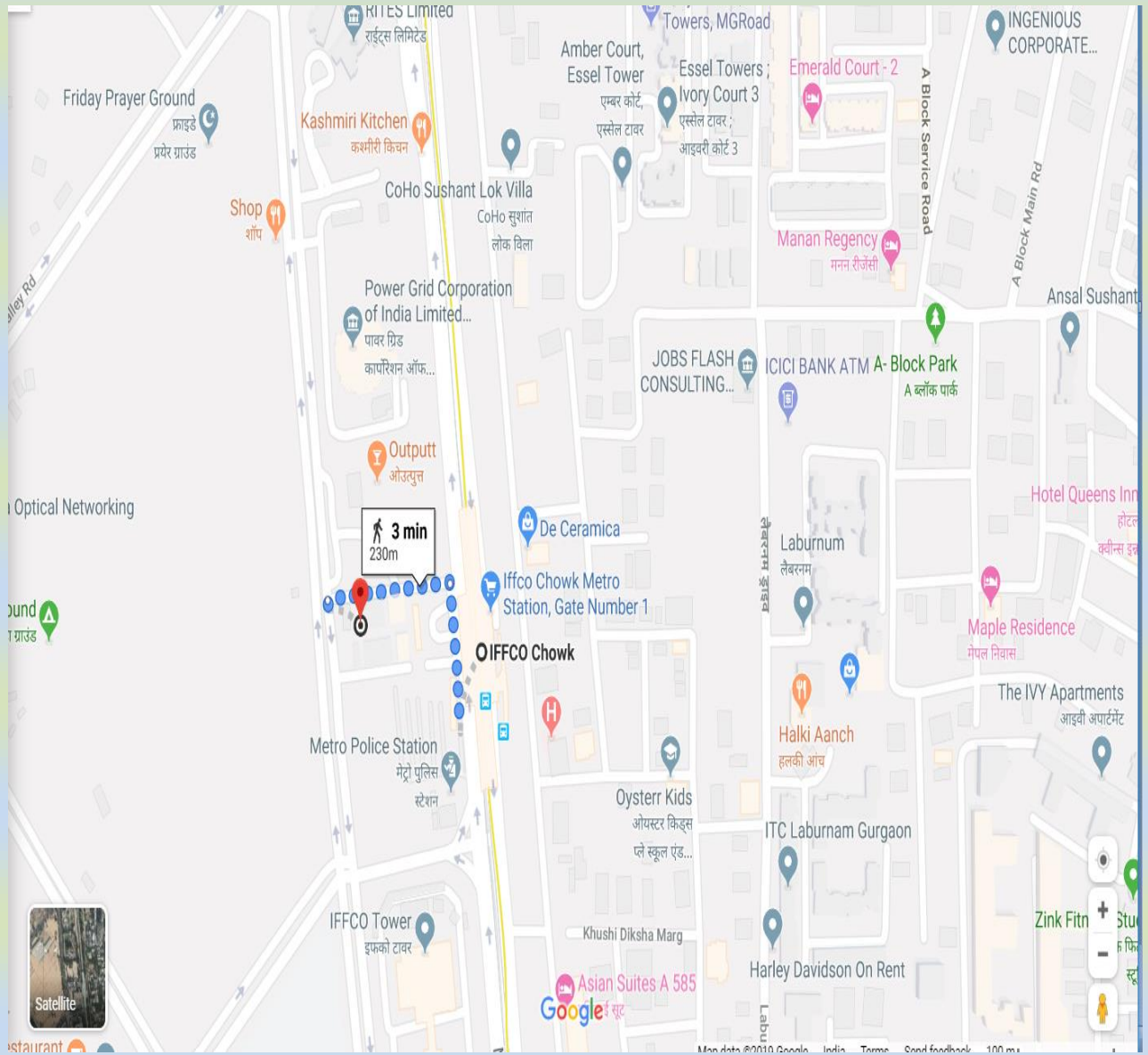
The Directors recommend the Resolution for approval of the Members.

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-  
APPOINTMENT**

**(In Pursuance of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

<b>Name of Director</b>	Mrs. Priti Jain
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	16/09/2008
<b>Qualifications</b>	Post Graduate
<b>Number of Shares held in the Company</b>	610085
<b>Expertise in specific Functional areas</b>	Financial Sector
<b>Director of other Listed Companies (excluding foreign Companies)</b>	NIL
<b>Membership / Chairmanship of Committees of the Board in Listed Companies</b>	NIL
<b>Relationship between Director Inter se</b>	Wife of Mr. Surendra Kumar Jain

**Here we are given below the Route Map for the purpose of Company's AGM Venue**



# **DIRECTOR'S REPORT**

To  
The Members  
**SITAL LEASING AND FINANCE LTD**

The Directors have pleasure in presenting before you the Thirty Sixth Annual Report on the business and operations of the Company along with the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2019.

## **1. FINANCIAL SUMMARY HIGHLIGHTS**

Financial Result of the Company for the year under review along with the figures for previous year is as follows:

<b>PARTICULARS</b>	<b>31<sup>st</sup> MARCH, 2019</b>	<b>31<sup>st</sup> MARCH, 2018</b>
Total Income	4,54,30,811	88,77,24,042
Profit before Tax	2,20,43,896	1,75,86,700
Current Tax	73,17,116	64,15,662
MAT Credit Entitlement	-	-
Deferred Tax	2,90,926	(2,11,809)
Net Profit after Tax	1,50,17,706	1,13,82,848

## **2. STATE OF COMPANY AFFAIRS**

During the Financial Year 2018-19, the Company has recorded Revenue of ₹ 4,54,30,811/-. The Company has earned Net Profit of ₹ 1,50,17,706/- during the year as compared to Profit of ₹1,13,82,848/- in the last year. The Directors are optimistic about future performance of the Company.

## **3. WEB ADDRESS OF ANNUAL RETURN**

The Web Address where Annual Return in form MGT-9 of the Company for the Financial Year 2018-19 referred in sub-section (3) of Section 92 has been placed is mentioned below:

[www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

#### **4. CHANGE IN NATURE OF BUSINESS**

There was no change in the nature of business of company.

#### **5. SUBSIDIARY/ASSOCIATES/ JOINT- VENTURE COMPANIES**

During the Financial Year 2018-19, The Company has two Associates company i.e. Solomon Holdings Private Limited and Utsav Securities Private Limited. Accordingly, AOC-1 is attached to this Annual Report as separate section under **Annexure-I**.

#### **6. SHARE CAPITAL**

The Authorized Share Capital is ₹ 65,00,00,000/- and Paid up Share Capital as on 31<sup>st</sup> March, 2019 was ₹61,25,73,750 /-. There was no change in share capital of the company during the year.

#### **7. DIVIDEND**

As the company kept the profits for investment in better projects it regret not to recommend any dividend.

#### **8. TRANSFER TO RESERVES**

During the year under review Company has transferred ₹ 29,82,044/- to the Statutory Reserves Fund from the profits of the Company in accordance with the provision of Section 45IC of the Reserve Bank of India.

#### **9. RBI GUIDELINES**

The Company continues to fulfil all the norms and standards laid down by the Reserve Bank of India for the Non-Banking Financial Company.

#### **10. NBFC REGISTRATION**

The Company has been registered with Reserve Bank of India as Non-Banking Finance Company Vide Registration No. B-14.02131 dated 21st December, 2001.

#### **11. NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2016**

Pursuant to the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, a Certificate from the Statutory Auditors to the Board of Directors' has been received by your company. This Certificate has certified that the company has complied with all the directions and prudential Norms as prescribed under the RBI ACT, 1934.

## **12. NON-ACCEPTANCE OF PUBLIC DEPOSITS**

The Company is a Non- Banking Finance Company (Non-Deposit taking). Therefore the Company has not accepted any Public Deposits or any Fixed Deposit during the Financial Year 2018-19.

## **13. BOARD OF DIRECTORS**

### **A. Re-Appointment of Director**

Mrs. Priti Jain (DIN: 00537234), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. The Board of Directors recommends her re-appointment.

#### **Re-Appointment of Independent Director**

Mr. Sujan Mal Mehta (DIN: 01901945), is re-appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years w.e.f 28th September 2019 until the conclusion of Annual General Meeting of the company to be held in the year 2024.”

#### **Re-Appointment of Independent Director**

Mr. Anil Prakash (DIN: 05187809), is re-appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years w.e.f 28th September 2019 until the conclusion of Annual General Meeting of the company to be held in the year 2024.”

#### **Appointment of Managing Director**

Mr. Surendra Kumar Jain (DIN: 00530035), is appointed as Managing Director of the Company for a period of 5 years without any remuneration with effect from 15th May, 2019. Appointment of Mr. Surendra Kumar Jain as Managing Director has been approved by Board of Directors in their meeting held on 15th May, 2019.

### **B. Declaration by Independent Directors**

The Independent directors have submitted their disclosure to the Board that they fulfil all the requirements as to qualify for their appointment as an Independent Director under the provisions of Section 149(6) of the Companies Act, 2013 as well as SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015. The policy of regularization is also available on Company’s Website.



### **C. Company Secretary**

Ms. Nishu Jain, an Associate Member of the ICSI, Delhi has been appointed, by the Board of Directors, as Company Secretary of the Company with effect from 22<sup>th</sup> April, 2019.

Further, Ms. Rainy Jain, Company Secretary ceased from the post of Company Secretary of company on 30<sup>th</sup> May, 2018.

### **D. Chief Financial Officer**

Mr. Piyush Jain was appointed, by the Board of Directors of the Company, as Chief Financial Officer of the Company with effect from 12<sup>th</sup> November, 2018.

### **E. Key Managerial Personnel**

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed there under:

1. Mr. Surendra Kumar Jain, Managing Director
2. Mr. Piyush Jain, Chief Financial Officer\*
3. Ms. Nishu Jain, Company Secretary\*\*

**\* Mr. Piyush Jain was appointed, by the Board of Directors of the Company, as Chief Financial Officer of the Company with effect from 12<sup>th</sup> November, 2018.**

**\*\*Ms. Nishu Jain, an Associate Member of the ICSI, Delhi has been appointed, by the Board of Directors, as Company Secretary of the Company with effect from 22<sup>th</sup> April, 2019.**

### **F. 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 Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committees, Investment Committee and Asset Liability Management Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **14. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provision of section 134(5) of the Companies Act, 2013 the Board confirms and submits the Director's Responsibility Statement:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year under review;
- The Directors have taken proper & sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for prevention & detecting fraud & other irregularities;
- The Directors have prepared the accounts for the Financial Year ended 31<sup>st</sup> March, 2019 on a going concern basis.
- The Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- The Directors had devised proper system to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

#### **15. NO. OF BOARD MEETINGS HELD**

The Board of Directors duly met (8) Eight times during the Financial Year from 1<sup>st</sup>April, 2018 to 31<sup>st</sup>March, 2019. The dates on which meetings were held are as follows:

26<sup>th</sup> May, 2018, 05<sup>th</sup> June, 2018, 15<sup>th</sup> June, 2018, 04<sup>th</sup> July, 2018, 10<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 18<sup>th</sup> January, 2019, 15<sup>th</sup> March, 2019.

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

Loans, Guarantees and Investment covered under the provisions of section 186 of the Companies Act, 2013 are not applicable to NBFC company. Further details of investment are given in the Notes to the Financial Statements.

## **17. INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has in place well defined and adequate internal controls commensurate with the size of the company and same were operating throughout the year. The company has in-house internal audit functions.

## **18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM**

In pursuant to the provision of Section 177 (9) & (10) of the Companies Act, 2013, The Company has formulated a Whistle Blower Policy to establish a Vigil Mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

## **19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no related party transactions under the provisions of section 188 of the Companies Act, 2013. Form AOC-2 attached for the purpose.

## **20. MANAGEMENT DISCUSSION ANALYSIS REPORT**

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, is presented in a Separate Section which forms part of the Annual Report under **Annexure II**.

## **21. CORPORATE GOVERNANCE**

As per Regulation 15 (2) of SEBI (Listing Obligation and Disclosures requirement) Regulations, 2015, Report on Corporate Governance is applicable to the company. Accordingly, Corporate Governance Report is attached to this Annual Report as separate section under **Annexure-III**.

## **22. AUDITORS**

### **A. STATUTORY AUDITOR**

The Company has appointed M/s MAK & Co., Chartered Accountants (FRN - 028454N), in place of M/s PBH & Co, Chartered Accountant, (FRN: 027217N) as the Statutory Auditor of the company pursuant to the provisions of Section 139 to 142 of the Companies Act, 2013 and other applicable provisions, if any, to hold office from the conclusion of this Annual General Meeting until the conclusion of Annual General

Meeting (AGM) of the company to be held in the F.Y 2023-24, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company. In this regard, Written Consent have submitted by Statutory Auditor for their eligibility and qualification to be appointed as Statutory Auditor of the company in terms of Section 139 of the Companies act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

- Statutory Auditor's Report

The Auditors have given an Audit Report on Financial of 2018-19 and annexed herewith marked as **Annexure V** to the annual report.

- Statutory Auditor's Observations

The observations made by Auditors with reference to notes to account are Self-explanatory needs no comments.

## **B. SECRETARIAL AUDITOR**

The Company has appointed M/s Babita and Associates, Company Secretaries to hold the office of the Secretarial Auditors and to conduct the Secretarial Audit for the Financial Year 2018-19.

- Secretarial Auditor's Report

The Secretarial Audit Report is annexed herewith marked as **Annexure- VI** to this report in **Form No. MR-3**.

- Secretarial Auditor's Observations

There is qualification in Secretarial Auditor's Report that The Company has not complied with the provision of Section 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Chief Financial Officer(Appointment Date 12.11.2018)and Company Secretary (Resignation by last Company Secretary on 30.05.2018).

For this Management clarified that after the resignation of Company Secretary on 30.05.2018, Management was in the search of suitable Company Secretary as well as Chief Financial Officer and now we have a Qualified Company Secretary as well as Chief Financial Officer.

Second qualification is that The Company has not complied with the provision of Section 173(3) of the Companies Act, 2013 read with The Companies (Meeting of Board and its Power) Rules, 2014 for maintaining the proof of Sending Notice & Agenda of Board Meeting to its Directors during the audit period.

For this management clarified that we have all the proof of Sending Notice & Agenda of Board Meeting to its Directors but due to some reasons we have lost some documents from our office. Unfortunately proof of Sending Notice & Agenda of Board Meeting to its Directors was also included in that.

Third qualification is that Surendra Kumar Jain (DIN-00530035) Director of the Company, appointed Managing Director for 5 year subject to certain condition on 24th January, 2014 and whose office shall not be liable to retire by rotation but Company in their Annual General Meeting held on 26th September, 2018 retire him by rotation and also re-appoint.

For this management clarified that there was a typing error in the above qualification. This was occurred unintentionally by the company.

The last qualification is that Remuneration paid to Managerial Personnel is as per Section 197 and 198 of Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and Schedule V but the Company has paid remuneration to its Managing Director in excess of amount as approved by the members.

For this management clarified the company did not pay excess remuneration. The remuneration was in the limit of Section 197 and 198 of Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and Schedule V.

### **C. INTERNAL AUDITOR**

The Company has appointed Mr. Deepak Bhojak as an Internal Auditor of the Company for the financial year 2018-19.

- Internal Auditor's Report  
Mr. Deepak Bhojak placed the internal audit report to the Board of Directors.
- Internal Auditor's Observations  
Internal Audit Report is Self-explanatory and need no comments.

### **23. MAINTENANCE OF COST RECORDS**

Maintenance of Cost Audit Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company and accordingly such accounts and records are not required to be made and maintained.

Also Cost Audit is not applicable to the Company.

## 24. ENHANCING SHAREHOLDER VALUE

Our Company firmly believes that its success in the market place and a good reputation is among the primary determination of value to the shareholders.

## 25. DEMATERIALISATION OF SHARES

The Company has connectivity with NSDL & CDSL for dematerialization of its equity shares. The ISIN- INE341O01029 has been allotted for the Company. Therefore, the matter and/or investors may keep their shareholding in the electronic mode with their Depository Participates. 86.31% of the Company's Paid-up Share Capital is in dematerialized form and balance 13.69% is in physical form as on 31<sup>st</sup> March, 2019.

## 26. PARTICULARS OF EMPLOYEES

Disclosure under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 as amended, has been furnished herein below.

The percentage increase in remuneration of each Director, Chief Financial Officer during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	% increase/decrease (-) in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director / to Median Remuneration of Employees
1.	Surendra Kumar Jain (Managing Director)	100%	23:1

**Note: No sitting fees paid to Independent Directors and Non-executive director and hence not included in the above table.**

1. % increase/decrease in the Median Remuneration of Employees in the Financial Year 2018-19 is 55%.

2. The Median Remuneration of employees of the Company during the financial year was ₹ 92,135/-.
3. There were total 8 Permanent Employees on the rolls of Company as on March 31, 2019.

Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## 27. CREDIT RATING

The Directors of the Company are pleased to report that the Company get its membership Certificate from all four CICs i.e. TransUnion Credit Information Bureau (India) Limited (CIBIL), Equifax Credit Information Services Private Limited (ECIS), Experian Credit Information Company of India Pvt. Ltd, CRIF High Mark Credit Information Services Pvt. Ltd.

## 28. EXPOSURE TO REAL ESTATE

The following are details of loan provided to the Companies engaged in real estate business during the Financial Year 2018-19:

(₹)		
S. No.	Name of Companies	Amount Outstanding as on 31st March, 2019
1.	Prosper Buildtech Pvt. Ltd	7,38,000.00

## 29. CAPITAL FUND TO RISK WEIGHTED ASSETS

Percentage to capital funds to risk weighted assets/exposures:

Particulars	(In %)
Tier -I Capital	13.49
Tier-II Capital	0.01
	13.50

## 30. HEALTH, SAFETY AND ENVIRONMENT PROTECTION

The Company has complied with all the applicable environmental law and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

## 31. HUMAN RESOURCES

People remain the most valuable asset of your Company. Your Company follows a policy of building strong team of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset.

The Company recognizes people as its most valuable asset and The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

### **32. DISCLOSURE OF FRAUDS IN THE BOARD'S REPORT UNDER SECTION 143 OF THE COMPANIES ACT, 2013**

During the year under review, your Directors do not observe any transactions which could result in a fraud. Your Directors hereby declares that the Company has not been encountered with any fraud or fraudulent activity during the Financial Year 2018-2019.

### **33. COMPLIANCE**

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the Ministry of Corporate Affairs (MCA), Stock Exchange(s), Securities and Exchange Board of India (SEBI) etc.

The Company has complied with all applicable provisions of the Companies Act, 2013, Listing Agreement executed with the Stock Exchange(s), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules/regulations/guidelines issued from time to time.

### **34. SECRETARIAL STANDARDS OF ICSI**

Pursuant to the approval by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India on April 10, 2015, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from July 01, 2015. Thereafter, Secretarial Standards were revised with effect from October 01, 2017. The Company is in compliance with the Secretarial Standards.

### **35. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**



The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Policy is available on the website of the company i.e. [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

The following is a summary of Sexual Harassment Complaints received and disposed off during the year 2018-19.

- No of complaints received : 0
- No of complaints disposed off : N.A.

### **36. DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc other risks which considered necessary by the management. The Company has been addressing the various risks impacting the Company and policy of the Company on risk management is continuously reviewed by Management of the Company and is available on website of the company i.e. [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

### **37. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Except as disclosed elsewhere in the Report, there have been no material changes and commitments made between the end of the financial year of the company and the date of this report.

### **38. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

During the Financial Year 2018-19, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the company.

### **39. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to Section 135 of the Companies Act, 2013 along with the Rules there under and revised Schedule VII to the Act, concerning Corporate Social Responsibility (CSR), have been notified on 27<sup>th</sup> February 2014, which came into effect from 1<sup>st</sup> April 2014, the Company being covered under the provisions of the said section has taken necessary initial steps in this regard.

The Corporate Social Responsibility Policy of the Company is displayed on website of the company [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com). As the Company has to spend ₹3,03,541 for the Financial Year 2018-19 towards CSR activities but the company did not spend the amount because Board is planning to spend CSR expenditure towards education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. So Board decided to carry forward the CSR expenditure for the Financial Year 2018-19 until it can be spend in the above activities. After finding the above activities company will spend the CSR expenditure. Further the brief details about CSR is annexed herewith marked as **Annexure-IV**.

#### **40. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished

##### **(A) Conservation of energy**

Steps taken / impact on conservation of energy, with special reference to the following:

Steps taken by the company for utilizing alternate sources of energy including waste generated: NIL

##### **(B) Technology absorption**

Efforts, in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The Company has not taken any technical knowhow from anyone and hence not applicable.

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

The Company has not imported any technology and hence not applicable.

Expenditure incurred on Research and Development: The Company has not incurred any expenditure on research and development.

**(c) Foreign Exchange Earnings/ Outgo:**

<b>Foreign Exchange Earnings And Outgoings</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Earnings in Foreign Currency (FOB Value of exports)	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL

**ACKNOWLEDGEMENT**

The Directors are thankful to the Bankers, Customers, Dealers, and Vendors for their valuable support and assistance. The Directors wish to place on record their appreciation of the commendable work done, dedication and sincerity by all the employees of the Company at all levels during the year under review. The Company will make every effort to meet the aspirations of its shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

**For and on behalf of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**DATE: 02-09-2019  
PLACE: GURUGRAM**

**PRITI JAIN  
DIRECTOR  
DIN: 00537234**

**SURENDRA KUMAR JAIN  
MANAGING DIRECTOR  
DIN: 00530035**

**FORM NO. AOC-1**

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "B" Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

(IN ₹)

<b>NAME OF ASSOCIATES/JOINT VENTURES</b>	<b>Solomon Holdings Private Limited</b>	<b>Utsav Securities Private Limited</b>
1. Latest Audited Balance Sheet Date	31-03-2019	31-03-2019
2. Date of acquisition of shares in the company	31-03-2011	31-03-2011
3. Shares of Associate/Joint Ventures held by the Company on the year end		
1. No. of Shares	32,50,000	32,50,000
2. Amount of Investment in Associates/ Joint Venture	325,00,00,000/-	325,00,00,000/-
3. Extend of Holding %	28.46%	30.20%
4. Networth attributable to Shareholding as per latest audited Balance Sheet	969,13,72,142	772,06,49,033
5. Profit /Loss for the year	(32,261)	50,40,950
i. Considered in Consolidation	(9,181)	15,22,367
ii. Not Considered in Consolidation	(23,080)	35,18,583

**For and on behalf of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**DATE: 02-09-2019  
PLACE: GURUGRAM**

**PRITI JAIN  
DIRECTOR  
DIN: 00537234**

**SURENDRA KUMAR JAIN  
MANAGING DIRECTOR  
DIN: 00530035**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## **A. ECONOMIC OUTLOOK**

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

## **B. COMPANY OVERVIEW**

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

## **C. FINANCIAL PERFORMANCE**

The Company has incurred a Net Profit of ₹1,50,17,706/- during the year. The Directors are optimistic about future performance of the Company.

## **D. OPPORTUNITIES & THREATS**

### Opportunities

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

### Threats

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavourable economic development.

—Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

#### **E. RISK MANAGEMENT AND CONCERNS**

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

#### **F. HUMAN RESOURCE**

The Company keeps developing its organizational structure consistently over time. Efforts are made to follow excellent Human Resource practices. Adequate efforts of the Staff and Management Personnel are directed on imparting continuous training to improve the Management Practices.

The objective of your Company is to create a workplace where every person can achieve his or her full potential. The employees are encouraged to put in their best. Lot of hard work is put in to ensure that new and innovative ideas are given due consideration to achieve the short and long term objectives of your company.

#### **G. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The employees are satisfied and having good relationship with the Management.

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

This is to confirm that the Company has adopted a Code of conduct for its employees including the director. I confirm that the Company has in respect of the Financial Year ended 31st March, 2019, 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.

## **I. DISCLOSURE OF ACCOUNTING TREATMENT**

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 (“the 2013 Act”) and the relevant provisions of the 2013 Act, as applicable. The Financial Statements have been prepared on going concern basis under the historical cost convention on accrual basis.

The Company has follows to continue with the period of 1st day of April to 31st day of March, each year as its Financial Year for the purpose of Preparation of Financial Statements under the provisions of Section 2(41) of the Companies Act, 2013.

## **J. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company’s objectives, expectations, predictions and assumptions may be “FORWARD LOOKING” within the meaning of applicable Laws and Regulations. Actual results may differ materially from those expressed herein, important factors that could influence the Company’s operations include domestic economic Conditions affecting demand, supply, price conditions, and change in Government’s regulations, tax regimes, other statutes and other factors such as industrial relations.

# **CORPORATE GOVERNANCE REPORT**

## **(As Required Under Regulation 27 Of The SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) Regulations, 2015)**

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

The objective of Corporate Governance is “Enhancement of Long-Term Shareholders Value and ensuring the protection of rights of the shareholders” and your company reiterates its commitment to good Corporate Governance.

### **COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

### **BOARD OF DIRECTORS**

The Board of Company consists of four (4) Directors with a fair representation of executive, non-executive, independent directors and women director.

The Composition and Category of Board during the year as follows:

<b>S. NO.</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>CATEGORY</b>
1.	Mr. Surendra Kumar Jain	Managing Director	Executive & Non- Independent
2.	Mrs. Priti Jain	Director	Non- Executive & Non- Independent
3.	Mr. Sujan Mal Mehta	Director	Non- Executive & Independent
4.	Mr. Anil Prakash	Director	Non- Executive & Independent



## 1. BOARD MEETINGS

The Board of Directors duly met (8) Eight times during the Financial Year from 1<sup>st</sup>April, 2018 to 31<sup>st</sup>March, 2019. The dates on which meetings were held are as follows:

26<sup>th</sup> May, 2018, 05<sup>th</sup> June, 2018, 15<sup>th</sup> June, 2018, 04<sup>th</sup> July, 2018, 10<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 18<sup>th</sup> January, 2019, 15<sup>th</sup> March, 2019.

The periodicity between two Board Meetings was within the maximum time gap as prescribed in the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015/ Companies Act, 2013.

The composition of the Board of Directors, their attendance at Board Meetings and last Annual General Meeting is as under:

Name of the Director	Designation	Category	Number of Board Meetings during the year		Attendance of Last AGM
			Held	Attended	
Mr. Surendra Kumar Jain	Managing Director	Executive & Non Independent	8	8	Yes
Mrs. Priti Jain	Director	Non-Executive & Non Independent	8	8	Yes
Mr. Sujan Mal Mehta	Director	Non-Executive & Independent	8	8	Yes
Mr. Anil Prakash	Director	Non-Executive & Independent	8	8	Yes

Information provided to the Board:

The Board of the Company is presented with all information under the following heads, whenever applicable and materially significant. These are summarised either as part of the agenda will in advance of the Board Meetings or are tabled in the course of the Board Meetings. This, inter-alia, include:

- Annual operating plans of businesses, capital budgets, updates.
- Quarterly results of the Company and its operating divisions or business segments.

- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents.
- Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
- Details of any joint venture or collaboration agreement or new client win.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Transactions had involved substantial payments towards good-will, brand equity, or intellectual property.
- Significant development in the human resources front.
- Sale of material, nature of investments, subsidiaries, assets which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Quarterly update on the return from deployment of surplus funds.
- Non-compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services as non-payment of dividend and delays in share transfer.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources /Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

#### Meeting of Independent Directors:

One Meeting of Independent Directors held on 29<sup>th</sup> March, 2019 during the Financial Year ended March 31, 2019.

#### The Meeting shall:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of Chairman of the company, taking into account the views of Executive Directors and Non-Executive Directors and;

- Assess 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.

## **FAMILIARIZATION PROGRAMME FOR DIRECTORS**

At the time of appointing a director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected by him/her as a director of company. The chairman and Managing Director also have a one to one discussion with the newly appointed director to familiarize him/her with the company operations.

The Familiarization Programme policy for the directors is given on the website of the company i.e. [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com).

## **2. COMMITTEES MEETINGS**

The Board has Seven Committees: The Audit Committee, The Nomination & Remuneration Committee, The Stakeholders' Relationship Committee, The Risk Management Committee, The Corporate Social Responsibility, The Asset Liability Management Committee and The Investment Committee.

### **A. AUDIT COMMITTEE**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate timely and proper disclosures and transparency, integrity and quality of financial reporting. The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

Brief description of the terms of reference:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position.
- Recommending the appointment, re-appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- ❖ Any changes in accounting policies and practices;
  - ❖ Major accounting entries based on exercise of judgment by management;
  - ❖ Qualifications in draft audit report;
  - ❖ Significant adjustments arising out of audit;
  - ❖ Compliance with accounting standard;
  - ❖ Compliance with stock exchange and legal requirements concerning financial statements;
  - ❖ Any related party transactions as per Accounting Standard 18.
  - ❖ Reviewing the Company's financial and risk management policies.
  - ❖ Disclosure of contingent liabilities.
  - ❖ Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
  - ❖ Discussion with internal auditors of any significant findings and follow-up thereon.
  - ❖ 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.
  - ❖ Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - ❖ Reviewing compliances as regards the Company's Whistle Blower Policy.
- Mandatory review of following information:
    - ❖ Management discussion and analysis of financial condition and results of operations;
    - ❖ Statement of significant related party transactions, submitted by management;
    - ❖ Management letters / letters of internal control weaknesses issued by Statutory Auditors and:
    - ❖ Appointment, removal and terms of remuneration of Internal Auditor.

#### Meetings of the Committee:

The Audit Committee comprises all three members of which Chairman of the Committee are Independent Director. During the Year 4 (Four) Audit Committee Meetings were convened and held.

The Committee met 4 (Four) times on 26<sup>th</sup> May, 2018, 10<sup>th</sup> August 2018, 12<sup>th</sup> November, 2018, 18<sup>th</sup> January, 2019 during the financial year ended March 31, 2019.

The Minutes of the Meetings of the Audit Committee are discussed and taken note by the board of directors.

The Statutory Auditor, Internal Auditor and Executive Directors are invited to the meeting as and when required.

The Composition of the Audit Committee and Their Attendance at the Meeting:

Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mr. Anil Prakash	Chairperson	4	4
Mr. Sujan Mal Mehta	Member	4	4
Mr. Surendra Kumar Jain	Member	4	4

Powers of Audit Committee:

The audit committee shall have the following powers, which includes the following:

- 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 with relevant expertise, if it considers necessary.

Review of Information by Audit committee:

The Audit Committee shall mandatorily review the following information:

- Management Discussion and analysis of financial condition and results of operations;
- Statement of Related Party Transactions (As defined by Audit Committee), submitted by Management;
- Management letters / letters of internal control weakness issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

## **B. NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee comprises of Three Members of which the Chairman of the Committee is Independent Director. During the Year Three (3) Nomination & Remuneration Committee Meetings were convened and held.

Scope of the Committee:

The terms of reference of the remuneration committee in brief pertain to inter-alia, determining the Companies policy on and approve specific remuneration packages for Executive Director (s)/Manager under the Companies Act, 2013 after taking in to

account the financial position of the Company, trend in the industry, appointees qualification, experience, past performance, interest of the Company and members.

Meetings of the Committee:

The Committee met Three (3) Times on 10<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 15<sup>th</sup> March, 2019 during the Financial Year ended March 31, 2019.

The Minutes of the Meetings of the Nomination & Remuneration Committee are discussed and taken note by the board of directors.

The Composition of the Nomination & Remuneration Committee and their attendance at the meeting:

Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Priti Jain	Member	3	3
Mr. Sujan Mal Mehta	Member	3	3
Mr. Anil Prakash	Chairperson	3	3

### **C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee comprises all Three Members of which Chairman of the Committee is Independent Director. During the Year Two (2) Stakeholders' Relationship Committee Meetings were convened and held.

Scope of the Committee:

The scope of the Stakeholders' Relationship Committee is to review and address the grievance of the shareholders in respect of share transfers, transmission, non-receipt of Annual Report, non-receipt of dividend etc, and other related activities. In addition, the Committee also looks into matters which can facilitate better investor's services and relations.

Meetings of the Committee:

The Committee met Two (2) times on 04<sup>th</sup> July, 2018 and 15<sup>th</sup> March, 2019 during the Financial Year ended on March 31, 2019.

The Minutes of the Meetings of the Stakeholders' Relationship Committee are discussed and taken note by the board of directors.

The Composition of the Stakeholders' Relationship Committee and their attendance at the meeting:

Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mr. Sujan Mal Mehta	Chairperson	2	2
Mrs. Priti Jain	Member	2	2
Mr. Anil Prakash	Member	2	2

### COMPLIANCE OFFICER

<b>Name of the Compliance Officer</b>	Ms. Nishu Jain* *(Ms. Nishu Jain was appointed as Company Secretary in the Company by Board of Directors from 22 <sup>nd</sup> April, 2019)
<b>Contact Details</b>	<b><u>Registered Office</u></b> Office No. 322, 3 <sup>rd</sup> Floor, S.S. Plaza Commercial Complex, Mayfield Garden, Sector-47, Gurugram, Haryana- 122001  <b><u>Corporate office</u></b> 16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005
<b>E- Mail ID</b>	Sitalleasing83@gmail.com

### D. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises all three members including Chairman of the Committee. During the Year Two (2) Risk Management Committee Meetings were convened and held.

Scope of the Committee:

The Committee constituted to understand and assess various kinds of risks associated with the running of business and suggesting/implementing ways and means for eliminating/minimizing risks to the business of the Company and periodic review of the management control procedures/tools used to mitigate such risks.

Meetings of the Committee:

The Committee met Two (2) times on 04<sup>th</sup> July, 2018 and 15<sup>th</sup> March, 2019 during the financial year ended March 31, 2019. The Minutes of the Meetings of the Risk Management Committee are discussed and taken note by the board of directors.

The Composition of Risk Management Committee and their attendance at the meeting:

Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Priti Jain	Chairperson	2	2
Mr. Sujan Mal Mehta	Member	2	2
Mr. Anil Prakash	Member	2	2

#### **E. ASSET LIABILITY MANAGEMENT COMMITTEE**

The Asset Liability Management Committee of the Board comprised of the Three Members including chairman of the committee.

The Asset Liability Management Committee of the Board has been entrusted with the following Responsibilities:

- To ensure proper funding and capital planning, management of capital markets risks, profit planning, forecasting and analyzing interest movements etc.
- The ALCO should actively monitor the company's liquidity profile and should have sufficiently broad representation across major internal functions that can be directly influence the company's liquidity risks profile (e.g. lending, investment, securities, wholesale and retail funding).
- The ALCO should ensure that the risk measurement system adequately identifies and quantifies risk exposure.

Meetings of the Committee:

The Committee met 3 (Three) Times on 4<sup>th</sup> July 2018, 12<sup>th</sup> November 2018 and 15<sup>th</sup> March 2019 during the financial year ended March 31, 2019.

The Composition of Asset Liability Management Committee and their attendance at the meeting:



Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Priti Jain	Chairperson	3	3
Mr. Sujan Mal Mehta	Member	3	3
Mr. Anil Prakash	Member	3	3

#### **F. INVESTMENT COMMITTEE**

The Investment Committee of the Board comprised of Three Members including Chairman of the Committee. During the Year Three (3) Investment Committee meetings were convened and held.

The Investment Committee of the Board has been entrusted with the following responsibilities:

- To keep check on sale and purchase of the investment of the company.
- Approve Personal and Business Loan.
- Approve the opening and operating of Letters of Credit, Buyers Credit, Forex facility etc.

Meetings of the Committee:

The Committee met Three (3) times on 4<sup>th</sup> July, 2018, 12<sup>th</sup> November 2018 and 15<sup>th</sup> March 2019 during the Financial Year ended March 31, 2019.

The Minutes of the Meetings of the Investment Committee are discussed and taken note by the board of directors.

The Composition of Investment Committee and their attendance at the meeting:

Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Priti Jain	Chairperson	3	3
Mr. Sujan Mal Mehta	Member	3	3
Mr. Anil Prakash	Member	3	3

#### **G. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As per Section 135 of the Companies Act, 2013 every 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 any 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.

Accordingly, The Corporate Social Responsibility Committee of the Board comprised of three members out of which one member of the Committee is Independent Director.

The Board in its meeting held on 5<sup>th</sup> January, 2015 constituted Corporate Social Responsibility Committee.

The Committee has been formed with a view to undertake the following:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall include the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
  - recommend the amount of expenditure to be incurred on the activities referred in the above clause; and
  - Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Meetings of the Committee:

The Committee met 3 (Three) time on 4<sup>th</sup> July, 2018, 12<sup>th</sup> November, 2018, 15<sup>th</sup> March, 2019 during the financial year ended 31<sup>st</sup> March, 2019.

The Composition of Corporate Social Responsibility Committee and their attendance at the meeting:

Name of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Priti Jain	Chairperson	3	3
Mr. Surendra Kumar Jain	Member	3	3
Mr. Sujan Mal Mehta	Member	3	3

### 3. SHAREHOLDER'S MEETING

Meeting of Members held during the three previous financial years as mentioned below:

YEAR	DATE	AGM/ EGM	VENUE	DAY	TIME
2018	26.09.2018	AGM	Sandys Cocktails & Kitchen, 388 SCO Adjacent To Iffco Metro Station Behind Westin Hotel, Sector-29, Gurugram, Haryana 122001	Wednesday	10:00 a.m.

2017	27.09.2017	AGM	Sandys Cocktails & Kitchen, 388 SCO Adjacent To Iffco Metro Station Behind Westin Hotel, Sector-29, Gurugram, Haryana 122001	Wednesday	10:00 a.m.
2016	29.09.2016	AGM	Near Hongkok Bazar, Sector 57, HUDA, Gurgaon-122001	Thursday	11:00 a.m.

❖ **No Extra Ordinary General Meeting of Members held during the year.**

#### **4. MANAGEMENT**

##### **A. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

##### **B. DISCLOSURE OF MATERIAL TRANSACTIONS**

Pursuant to Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations' 2015, Senior Management Members have given disclosures to the Board that there are no material, financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

##### **C. PRESENTATION TO INVESTORS**

There was no presentation made to investor in the last year.

#### **SUBSIDIARY, HOLDING COMPANY AND JOINT VENTURE**

The Company does not have any subsidiary, Holding Company and Joint Venture.

#### **APPOINTMENT/REAPPOINTMENT OF DIRECTORS**

According to the Companies Act, 2013, at least two-third of the Board should consist of retiring directors. Of these, one-third is required to retire every year and, if eligible, may seek re- appointment by the shareholders.

Accordingly, Mrs. Priti Jain retires from Board by rotation this year and, being eligible, has offered her candidature for re-appointment. Her candidature has been

recommended by the Remuneration and Nomination Committee to the Board, which in turn has recommended the same for approval of the shareholders.

## MEANS OF COMMUNICATIONS

The Unaudited/ Audited Financial Results have been published in a Hindi National Newspaper and an English National Newspaper. The Results were sent to the Stock Exchanges on quarterly basis. Details of publication of Financial Results are given below:

Period	Name of Newspaper
Audited Financial Results for the year ended 31.03.2019	Dainik Mahalakshmi Bhagyodaya (Hindi News Paper) and Money Makers (English News Paper)
Unaudited Financial Results for the Quarter ended on 31.12.2018	Dainik Mahalakshmi Bhagyodaya (Hindi News Paper) and Money Makers (English News Paper)
Unaudited Financial Results for the Quarter ended on 30.09.2018	Dainik Mahalakshmi Bhagyodaya (Hindi News Paper) and Money Makers (English News Paper)
Unaudited Financial Results for the Quarter ended on 30.06.2018	Dainik Mahalakshmi Bhagyodaya (Hindi News Paper) and Money Makers (English News Paper)

The Audited yearly/Unaudited Quarterly Results of the Company are also displayed on the website of the Company at [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com) as per the requirements of the Regulation 46 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015 the website of the Company is regularly updated. Half yearly results are not sent to the shareholders. Annual Report and Financial Statements are sent to all the shareholders at their addresses registered with the Company/RTA.

## GENERAL SHAREHOLDERS INFORMATION

### A. THIRTY SIXTH ANNUAL GENERAL MEETING

**DATE:** 28<sup>th</sup> SEPTEMBER, 2019

**TIME:** 11.00 AM.

**VENUE:** Empiru Entertainment, 389P, Sector 29, Gurgaon, Haryana-122022

### B. DATE OF BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain close from, 23<sup>rd</sup> September, 2019 to 28<sup>th</sup> September, 2019 (both days inclusive).

**C. FINANCIAL YEAR**

1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

**D. DIVIDEND**

No dividend is proposed to be declared in AGM or declared in last AGM.

**E. STOCK EXCHANGES AND FEES**

The Shares of the Company are listed on Metropolitan Stock Exchange Limited (MSEI) and its listing fees paid on time.

**F. SCRIP CODE: INE341O01029**

MSEI Symbol is SITAL

**G. MARKET PRICE DATA**

There is no trading in MSEI during the year from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019, as follows:

MONTH	MSEI	
	HIGH	LOW
APRIL 2018	-	-
MAY 2018	-	--
JUNE 2018	-	-
JULY 2018	-	-
AUGUST 2018	-	-
SEPTEMBER 2018	-	-
OCTOBER 2018	-	-
NOVEMBER 2018	-	-
DECEMBER 2018	-	-
JANUARY 2019	-	-
FEBRUARY 2019	-	-
MARCH 2019	-	-

**\*No trading on Delhi Stock Exchange Limited, as it is de-recognized.**

**H. SUSPENSIONS DETAILS**

There was no suspension of securities took place in last year.

**I. REGISTRAR**

Bigshare Services Pvt. Ltd., 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019 is the Registrar and Share Transfer Agents of the Company.

**J. SHARE TRANSFER SYSTEM**

- The Share Transfer Committee meets as often as possible to approve transfers and related matters as may be required by the Registrars and share Transfer Agents.
- All matters connected with the share transfer, dividends and other matters are being handled by the RTA located at the address mentioned elsewhere in this report.
- Shares lodged for transfers are normally processed within ten days from the date of acknowledgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within seven days. Grievances received from investors and other miscellaneous correspondence relating to change of address, mandates, etc.
- Certificates are being obtained and submitted to Stock Exchanges, on half-yearly basis, from a Company Secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations'2015.
- Certificates have also been received from a Company Secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.
- The Company, as required under SEBI (Listing Obligations and Disclosure Requirement) Regulations'2015, has designated the following e-mail ID, namely sitalleasing83@gmail.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- Shareholders are, therefore, requested to correspond with the RTA for transfer/transmission of shares, change of address any queries pertaining to their shareholding, dividend, etc., at their address given in this report.

#### **K. REGISTERED OFFICE**

Office No. 322, 3<sup>rd</sup> Floor, S.S. Plaza Commercial Complex Mayfield Garden, Sector-47 Gurugram Haryana 122001

#### **L. CORPORATE OFFICE**

The corporate office of the company is situated at 16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi 110005.

#### **M. SHAREHOLDING PATTERN AS ON MARCH 31, 2019**

Category	No. of shareholder	No. of Shares (Face value of ` 1/- each)	No. of shares in demat form	% of shareholding
Promoters	17	299719603	299719603	48.93

Body Corporate	13	33993682	33993682	5.55
NRI/OCBs/Clearing, Members/Trust	1	238525	238525	0.03
Bank/Financial Institutions	0	0	0	0
Indian Public	1395	278621940	194760640	45.48
HUF	0	0	0	0
Others	0	0	0	0
<b>Total</b>	<b>1426</b>	<b>612573750</b>	<b>528712450</b>	<b>100.00</b>

#### N. DISTRIBUTION SCHEDULE OF SHAREHOLDING AS ON MARCH 31, 2019

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No. of Shares held	% of Shareholding
Upto	5000	41	2.88	1,34,340	0.02
5,001	10,000	19	1.33	1,30,435	0.02
10,001	20,000	2	0.14	27,400	0.00
20,001	30,000	34	2.38	8,67,952	0.14
30,001	40,000	4	0.28	1,38,736	0.02
40,001	50,000	6	0.42	2,81,600	0.04
50,001	1,00,000	746	52.31	3,86,68,305	6.31
1,00,001	ABOVE	574	40.25	57,23,24,982	93.43
<b>TOTAL</b>		<b>1426</b>	<b>100.00</b>	<b>61,25,73,750</b>	<b>100.00</b>

#### O. ADR/GDR

The Company did not issued any ADR or GDR in any previous year as company presently is domestic trading.

#### P. PLANT LOCATION

The Company is engaged in business of trading of shares, which does not require company to have plant.

#### Q. ADDRESS FOR CORRESPONDENCE

The shareholders may address their communication/ suggestion/ grievances/ queries to the Company's corporate office or our Share Transfer Agent:

Bigshare Services Pvt. Ltd.  
302, Kushal Bazar, 32-33,

Nehru Place, New Delhi-110019  
Tel No: 011-62638261  
Fax No: 011-62638299  
Email: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

The Question relating to share and requests for transactions such as transfer, transmission and nomination facilities, change of address, may please be taken up with the Registrar and Transfer Agent at above given address.

## **OTHER DISCLOSURES**

### **a) RELATED PARTY TRANSACTIONS**

There are no related party transactions under the provisions of section 188 of the Companies Act, 2013. Further the policy regarding related party transaction is also given on the company's website under the head policies.

### **b) VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

In pursuant to the provision of section 177(9) & (10) of the Companies Act, 2013, The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company i.e. [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com).

### **c) COMPLIANCE WITH REGULATIONS**

The Company has complied fully with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor has any penalty been imposed on the Company by the stock exchanges, SEBI or any other statutory authority.

### **d) ACCOUNTING STANDARDS**

The Company has followed the Accounting Standards laid down by the Companies Act, 2013.



**e) AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

The Statutory Auditors of the Company have furnished the requisite Certificate to the Board of Directors as required by Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations' 2015.

**f) SECRETARIAL AUDIT**

A Qualified Practicing Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**g) PROHIBITION OF INSIDER TRADING**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has constituted a comprehensive Code of Conduct for its Senior Management, Staff, and relevant business associates. The code lays down guidelines, which advise them on procedure to be followed and disclosures to be made while dealing with the Shares of the Company.

**h) CODE OF CONDUCT**

In terms of Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations'2015, the Company has adopted a Code of Conduct for the board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website i.e. [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com). The Declaration by the Chairperson and Managing Director of the Company forms part of this Report.

**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH SCHEDULE V SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015 IN REPECT OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Members of Board of Directors and Senior Management Personnel of the Company have affirmed their Compliance with the Code of Conduct of Sital Leasing And finance Limited, as applicable to them, for the Financial Year ended 31<sup>st</sup> March 2019.

**For and on behalf of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**DATE: 02-09-2019  
PLACE: GURUGRAM**

**SURENDRA KUMAR JAIN  
MANAGING DIRECTOR  
DIN: 00530035**

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
Sital Leasing and Finance Limited

I have examined all relevant records of Sital Leasing and Finance Limited ('the Company') for the purpose of certifying of the conditions of Corporate Governance under Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations' 2015 of the Listing Agreement with Stock Exchanges for the Financial Year ended 31<sup>st</sup> March, 2019. I have obtained all the information and explanations, which are to the best of my knowledge and belief, were necessary for the purposes of certification.

The compliance of the condition of Corporate Governance is responsibility of the management. My Examination has been limited to a review of the procedure and implementations thereof. This certificate is neither an assurance for the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations' 2015 of the above mentioned Listing Agreement.

**FOR PBH & CO.**  
**(CHARTERED ACCOUNTANTS)**  
**FRN : 027217N**

**CA. BHUSHAN SINGH TANWAR**  
**(PARTNER)**  
**M. NO. 529400**

**PLACE: ROHTAK**  
**DATE: 02-09-2019**

## **CEO/CFO/MD CERTIFICATION**

I, Surendra Kumar Jain, Managing Director and Piyush Jain, Chief Financial Officer of Sital Leasing and Finance Limited, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed the financial statements and the cash flow statements for the year ended 31<sup>st</sup> March 2019 and that the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are to the best of my knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violate the company's Code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the Auditors and the Audit committee deficiencies in the design and operations of such internal controls, if may, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in the internal control over financial reporting during the year under reference.
  - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**PIYUSH JAIN  
CHIEF FINANCIAL OFFICER**

**SURENDRA KUMAR JAIN  
MANAGING DIRECTOR**

**DATE: 02-09-2019**

**PLACE: GURUGRAM**

## FORM NO. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: NIL
  - (b) Nature of contracts/arrangements/transactions: NIL
  - (c) Duration of the contracts / arrangements/transactions: NIL
  - (d) Salient terms of the contracts or arrangements or transactions including the value: NIL
  - (e) Justification for entering into such contracts or arrangements or transactions: NIL
  - (f) Date of approval by the Board: NIL
  - (g) Amount paid as advances: NIL
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL
  
2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value	Date(s) of approval by the Board	Amount paid as advances, if any
KDG Properties & constructions Private Limited	Investment*	NIL	NIL	28.01.2011	NIL
Utsav Securities Private Limited	Investment*	NIL	NIL	28.01.2011	NIL

\*Investments in these companies since 31.03.2011.

## **Corporate Social Responsibility (CSR)**

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

**Refer CSR Policy in website i.e [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com).**

2. The Composition of the CSR Committee:

**The Composition is as stated in the Corporate Governance Report. (Annexure III)**

3. Average net profit of the company for last three financial years: **₹ 4,55,31,080/-.**

S.NO.	F.Y.	NET PROFIT
1.	2017-2018	1,82,54,656
2.	2016-2017	1,62,14,372
3.	2015-2016	1,10,62,052

4. Prescribed CSR Expenditure two per cent of average amount as in item 3 above): **₹ 3,03,541/-**

5. Details of CSR spent/unspent during the financial year:

a) Total amount to be spent for the financial year: **₹ 3,03,541/-**

b) Amount unspent : **₹ 5,42,490\***

\* Summary of **₹ 5,42,490** is as follow:

Amount unspent in F.Y 2017-18 is **₹ 2,38,949**

Amount unspent in F.Y 2018-19 is **₹ 3,03,541**

6. The reason for not spending the amount of CSR for the Financial Year 2018-19 has been showed in the Board Report.

7. Responsibility Statement of the Corporate Social responsibility committee:

We hereby declare that implementation and monitoring of the CSR project, as and when done, shall be in compliance with CSR objectives and policy of the Company.

**For and on behalf of the Board of Directors  
SITAL LEASING AND FINANCE LIMITED**

**DATE: 02-09-2019  
PLACE: GURUGRAM**

**PRITI JAIN  
DIRECTOR  
DIN: 00537234**

**SURENDRA KUMAR JAIN  
MANAGING DIRECTOR  
DIN: 00530035**

**STANDALONE INDEPENDENT AUDITORS' REPORT**

To  
The Members of Sital Leasing & Finance Limited  
**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Sital Leasing & Finance Limited (“the Company”), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (“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 March 31, 2019, and its profit, total of Rs. 1.50 Crore, , the changes in equity and cash inflows for the year ended as on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

**Key audit matters**

**(A) Adoption of new revenue recognition standard Ind AS 115 (This is added only for illustrative purposes and the auditor has to decide the most significant matter and modify this section accordingly)**

**Details of the Key Audit Matter**

The Company adopted Ind AS 115 “Revenue from Contracts with Customers” with effect from April 1, 2018. The application of the new revenue accounting standard involves certain key judgements

relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and point of recognition of revenue.

Ind AS 115 also requires extensive disclosures.

### **Auditors' Response to the Key Audit Matter**

We have not assessed the Company's process to identify the impact of adoption of the new revenue accounting standard (Ind AS 115) because the management has not provided any Contract details.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed subject to the information provided by the management, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For PBH & CO.**

**Chartered Accountants**

**Firm Registration No. 027217N**

**CA BHUSHAN SINGH TANWAR**

**(PARTNER)**

**Membership No.529400**

**Place: GURUGRAM**

**Date: 28.05.2019**

## **Annexure “A” to the Independent Auditor’s Report\***

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Sital Leasing & Finance Limited of even date)

1. In respect of the Company’s fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

3. According to information and explanation given to us, the company has granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013.

4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has not complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

7. 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, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable

(b)According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.

9.The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

10.To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11.In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12.The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13.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 section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. 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. Accordingly, paragraph 3(xiv) of the order is not applicable.

15. According to the information and explanations given to us and based on our examination of the records of the company, the company has entered into non-cash transactions with directors or persons connected with them.

16. According to the information and explanations given to us and as per provision of section 45-IA of the Reserve Bank of India Act 1934. The company is registered as NBFC vide Certificate No. B-14.02131 Dated 12-12-2001.

**For PBH & CO.**

**Chartered Accountants**

**Firm Registration No. 027217N**

**CA BHUSHAN SINGH TANWAR**

**(PARTNER)**

**Membership No.529400**

**Place: GURUGRAM**

**Date: 28.05.2019**

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Sital Leasing & Finance Limited of even date)

### **Report on the internal financial controls over financial reporting 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 Sital Leasing & Finance Limited (“the Company”) as at March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls**

The board of directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PBH & CO.**

**Chartered Accountants**

**Firm Registration No. 027217N**

**CA BHUSHAN SINGH TANWAR**

**(PARTNER)**

**Membership No.529400**

**Place: GURUGRAM**

**Date: 28.05.2019**



**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001  
Balance Sheet As at 31.03.2019

(` in '000)

Particulars	Note No.	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL, 2017
1	2	3	4	5
<b>(1) ASSETS</b>				
<b>Non-current assets</b>		-	-	-
(a) Property, Plant and Equipment	3	12,078	10,840	13,767
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible assets		-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial Assets				
(i) Investments	4	95,00,000	95,00,000	95,00,000
(ii) Trade receivables		-	-	-
(iii) Loans	5	2,01,413	1,55,553	1,67,619
(iv) Others (to be specified)		-	-	-
(i) Deferred tax assets (net)	6	1,514	1,223	1,011
(j) Other non-current assets		-	-	-
<b>(2) Current assets</b>				
(a) Inventories	7	3,928	11,482	39,440
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents	8	498	327	349
(iv) Bank balances other than (iii) above	9	425	20,930	493
(v) Loans		-	-	-
(vi) Others (to be specified)		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	10	4,869	5,223	3,541
<b>Total Assets</b>		<b>97,24,724</b>	<b>97,05,577</b>	<b>97,26,220</b>

Cont.....

<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	<b>11</b>	6,12,574	6,12,574	6,12,574
(b) Other Equity	<b>12</b>	90,98,053	90,83,339	90,88,158
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings				
(ii) Trade payables	<b>13</b>	-	-	1,604
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions	<b>14</b>	1,438	1,254	587
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities		-	-	-
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	<b>15</b>	3,690	1,604	-
(ii) Trade payables	<b>16</b>	759	4	15,283
(iii) Other financial liabilities (other than those specified in item (c))		-	-	-
(b) Other current liabilities	<b>17</b>	894	386	2,289
(c) Provisions	<b>18</b>	7,317	6,416	5,725
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Equity and Liabilities</b>		<b>97,24,724</b>	<b>97,05,577</b>	<b>97,26,220</b>

See accompanying notes to the financial statements

1

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED FOR PBH & CO.

(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

## STATEMENT OF CHANGES IN EQUITY

SITAL LEASING AND FINANCE LIMITED  
Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001  
Statement of Changes in Equity for the period ended 31.03.2019

(` in '000)

## A. Equity Share Capital

PARTICULAR	No. Of Shares	Amount of Shares
As at 01st April,2017	61,25,73,750	6,12,574
Changes in equity share capital during the year	-	-
As at 31st March,2018	61,25,73,750	6,12,574
Changes in equity share capital during the year	-	-
As at 31st March,2019	61,25,73,750	6,12,574

## B. Other Equity

PARTICULAR	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debit instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
As at 01st April 2017	-	-	-	89,48,888	1,12,023	27,248	-	-	-	-	-	-	-	90,88,158
Profit for the year	-	-	-	-	-	11,383	-	-	-	-	-	-	-	11,383
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(18,570)	-	-	-	-	-	-	-	(18,570)
As at 31st March 2018	-	-	-	89,48,888	1,14,390	20,061	-	-	-	-	-	-	-	90,83,339
profit for the year	-	-	-	-	-	15,018	-	-	-	-	-	-	-	15,018
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(3,286)	-	-	-	-	-	-	-	(3,286)
As at 31st March 2019	-	-	-	89,48,888	1,17,372	31,793	-	-	-	-	-	-	-	90,98,053

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED FOR PBH & CO. (CHARTERED ACCOUNTANTS) FIRM REGN NO:027217N

FOR AND ON BEHALF OF SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR (PARTNER) M.NO: 529400

SURENDRA KUMAR JAIN (MANAGING DIRECTOR) DIN: 00530035

PRITI JAIN (DIRECTOR) DIN : 00537234

PLACE : GURUGRAM DATE : 28.05.2019

NISHU JAIN (COMPANY SECRETARY) M. NO: A58126

PIYUSH JAIN (C.F.O)

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001  
Statement of Profit and Loss for the period ended 31.03.2019

(` in '000)

S.N	Particulars	Note No.	YEAR ENDED 31ST MARCH 2019	YEAR ENDED 31ST MARCH 2018
I	Revenue From Operations	19	45,428	8,87,633
II	Other Income	20	3	91
III	Total Income (I+II)		45,431	8,87,724
IV	<b>EXPENSES</b>			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade	21	3,323	8,35,927
	Changes in inventories of finished goods	22	7,553	27,958
	Stock-in -Trade and work-in-progress		-	-
	Employee benefits expense	23	1,273	395
	Finance costs		-	-
	Depreciation and amortization expense	3	1,841	3,000
	Other expenses	24	9,214	2,189
	Total expenses (IV)		23,203	8,69,469
V	Profit/(loss) before exceptional items and tax (I- IV)		22,227	18,255
VI	Exceptional Items		183	668
VII	<b>Profit/(loss) before tax</b> (V-VI)		<b>22,044</b>	<b>17,587</b>
VIII	Tax expense: (1) Current tax (2) MAT Credit Entitlement (3) Deferred tax (4) Excess Provision of earlier Year		7,317 - (291) -	6,416 - (212) -
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		<b>15,018</b>	<b>11,383</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		<b>15,018</b>	<b>11,383</b>

Cont.....

	Other Comprehensive Income			
XIV	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		-	-
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		0.02	0.02
	(2) Diluted		0.02	0.02
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		0.02	0.02
	(2) Diluted		0.02	0.02

**See accompanying notes to the financial statements**

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR . FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

**PLACE : GURUGRAM**  
**DATE : 28.05.2019**

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

Statement of Cash Flows for the year ended 31.03.2019

( IN LACS)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>Cash flows from operating activities</b>		
Profit before taxation	222.27	182.55
Adjustments for:		
Depreciation	18.41	30.00
Provision for income tax	-	-
Deferred tax	-	-
<b>Working capital changes:</b>		
(Increase) / Decrease in trade and other receivables	79.07	100.77
Increase / (Decrease) in trade payables	12.62	(149.52)
Cash generated from operations		
Interest paid		-
tax paid	(64.16)	(57.25)
Dividends paid		
<b>Net cash from operating activities</b>	268.22	106.54
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(0.73)
Purchase/ Sale of investment	-	
<b>Net cash used in investing activities</b>	-	(0.73)
<b>Cash flows from financing activities</b>		
Loans & Advances Given/Received	(492.43)	120.67
Repayment of Car Loan	20.86	(22.30)
Dividends paid	-	-
<b>Net cash used in financing activities</b>	(471.57)	98.37
<b>Net increase in cash and cash equivalents</b>	(203.35)	204.18
<b>Cash and cash equivalents at beginning of period</b>	212.58	8.40
<b>Cash and cash equivalents at end of period</b>	9.23	212.58

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

## Notes to Financial Statements

### OTHER NON CURRENT ASSETS

#### NOTE 4: NON CURRENT INVESTMENT

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	<b>Unquoted Equity Shares</b>					
Carewell Exim Pvt. Ltd.	1000000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
KDG Properties & Construction Pvt. Ltd.	2000000	20,00,000	20,00,000	20,00,000	20,00,000	20,00,000
Solomon Holdings Pvt. Ltd.	3250000	32,50,000	32,50,000	32,50,000	32,50,000	32,50,000
Utsav Securities Pvt. Ltd.	3250000	32,50,000	32,50,000	32,50,000	32,50,000	32,50,000
<b>Total</b>		<b>95,00,000</b>		<b>95,00,000</b>		<b>95,00,000</b>

#### NOTE 5: LOAN

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	<b>Unsecured, Considered Good</b>					
Loans at agreement values less instalment Standard Assets		2,01,373		1,55,513		1,67,579
<b>Other Loans &amp; Advances</b>						
DSE Security Deposits		40		40		40
<b>Total</b>		<b>2,01,413</b>		<b>1,55,553</b>		<b>1,67,619</b>

#### NOTE 6: DEFERED TAX ASSETS (NET)

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Opening Balance		1,223		1,011	
Created/ Reversed During the year		291		212		417
<b>Total</b>		<b>1,514</b>		<b>1,223</b>		<b>1,011</b>

#### NOTE 7: INVENTORIES

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Stock In Shares As Per "Annexure-A"		3,928		11,482	
<b>Total</b>		<b>3,928</b>		<b>11,482</b>		<b>39,440</b>

#### NOTE 8: CASH & CASH EQUIVALENTS

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Cash in Hand		498		327	
<b>Total</b>		<b>498</b>		<b>327</b>		<b>349</b>

#### NOTE 9: BANK & BANK BALANCES

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Dena Bank		-		13	
HDFC Bank Ltd.		259		20,763		260
HDFC Bank Ltd Fixed Deposit		166		155		220
<b>Total</b>		<b>425</b>		<b>20,930</b>		<b>493</b>

**NOTE 10: OTHER CURRENT ASSETS**

(` in '000)

PARTICULARS	AS AT		AS AT
	31ST MARCH 2019	31ST MARCH 2018	1ST APRIL 2017
Share Application Money	-	11	-
Balance with Revenue Authorities	80	263	195
Advance Tax for A.Y. 2017-18	-	-	1,000
Tax Deducted at Source A.Y. 2017-18	-	-	2,347
Advance Tax for A.Y. 2018-19	-	2,700	-
Tax Deducted at Source A.Y. 2018-19	-	2,248	-
Tax Deducted at Source A.Y. 2019-20	3,288	-	-
Advance Tax for A.Y. 2019-20	1,500	-	-
<b>Total</b>	<b>4,868.58</b>	<b>5,223</b>	<b>3,541.35</b>

**NOTE 11: SHARE CAPITAL**

(` in '000)

PARTICULARS	AS AT		AS AT
	31ST MARCH, 2019	31ST MARCH, 2018	1ST APRIL 2017
<b>Authorised Share Capital</b>			
65,00,00,000 Equity Share of ` 1/- Each (Previous Year 65,00,00,000 Equity share of `1/-each)	6,50,000	6,50,000	6,50,000
	<u>6,50,000</u>	<u>6,50,000</u>	<u>6,50,000</u>
<b>Issued , Subscribed &amp; Paid up Shares</b>			
Shares at the end of the Accounting Period 61,25,73,750 (Previous Year 612573750) Equity Shares of ` 1/-	6,12,574	6,12,574	6,12,574
<b>Total</b>	<b>6,12,574</b>	<b>6,12,574</b>	<b>6,12,574</b>

12.1 The company has only one class of equity Shares having Par Value of ` 1/- per Share. All these Shares have Same right & preferences with respect to payment of dividend, re-payment of Capital & Voting.

12.2 The reconciliation of the number of Shares outstanding is set out Below

12.3 Shares In The Company Held By Each Shareholder Holding More Than 5% shares

Name of the Shareholders	AS AT		AS AT		AS AT	
	31ST MARCH, 2019		31ST MARCH, 2018		1ST APRIL 2017	
	% of Shares held	No. Of Share	% of Shares held	No. Of Share	% of Shares held	No. Of Share
Avail Financial Services Ltd.	7.41	4,53,64,291	6.87	4,20,57,441	6.43	3,93,71,271
Legend Infoways Pvt. Ltd.	15.61	9,56,25,000	15.61	9,56,25,000	15.61	9,56,25,000
Microland Developers Pvt. Ltd.	14.57	8,92,50,000	14.57	8,92,50,000	14.57	8,92,50,000



**NOTE 12: OTHER EQUITY**

Refer Statement of Changes in Equity for detailed movement in Equity balance

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
<b>Researve u/s 451C</b>			
At The Beginning Of The Accounting Period	8,575	6,207	4,110
Additions During The Year	2,982	2,368	2,097
At The End Of The Accounting Period	11,557	8,575	6,207
<b>General Researve</b>			
At The Beginning Of The Accounting Period	1,05,816	1,05,816	1,05,816
Additions During The Year	-	-	-
At The End Of The Accounting Period	1,05,816	1,05,816	1,05,816
<b>Securities Premium Account</b>			
At The Beginning Of The Accounting Period	89,48,888	89,48,888	89,48,888
Additions During The Year	-	-	-
At The End Of The Accounting Period	89,48,888	89,48,888	89,48,888
<b>Surplus in Statement of Profit &amp; loss</b>			
At The Beginning Of The Accounting Period	20,061	27,248	18,798
Additions During The Year	15,018	11,383	10,735
	35,078	38,631	29,534
<b>Transfer to Researve</b>			
Researve u/s 451C	(2,982)	(2,368)	(2,097)
Provision for CSR Expenses	(304)	(239)	(188)
Intersegment Transfer Exp W/off	-	(15,963)	-
	(3,286)	(18,570)	(2,285)
At The End Of The Accounting Period	31,793	20,061	27,248
<b>Grand Total</b>	<b>90,98,053</b>	<b>90,83,339</b>	<b>90,88,158</b>

**NON-CURRENT LIABILITES****NOTE: 13 TRADE PAYABLES**

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
<b>Term Loan</b>			
Loan From Bank (Secured Loan)	-	-	1,604
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,604</b>

**NOTE: 14 LONG TERM PROVISION**

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
Provision for Standard Assets	803	620	587
Provision for Loss Assets	635	635	-
<b>Total</b>	<b>1,438</b>	<b>1,254</b>	<b>587</b>

## NOTE: 15 SHORT TERM BORROWINGS

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
<b>Term Loans</b>			
Loan from ICICI Bank (Secured Loan)	3,690	1,604	-
<b>Total</b>	<b>3,690</b>	<b>1,604</b>	<b>-</b>

## CURRENT LIABILITIES:

## NOTE 16: TRADE PAYABLES

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	
Trade Payable	759	4	15,283
<b>Total</b>	<b>759</b>	<b>4</b>	<b>15,283</b>

## NOTE 17 : OTHER CURRENT LIABILITIES

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	
Expenses Payable	894	386	2,289
<b>Total</b>	<b>894</b>	<b>386</b>	<b>2,289</b>

## NOTE 18 : SHORT TERM PROVISION

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	
Provision for Taxation	7,317	6,416	5,725
<b>Total</b>	<b>7,317</b>	<b>6,416</b>	<b>5,725</b>

## NOTE 19: REVENUE FROM OPERATION

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
Sale of Trading Goods	12,373	8,64,546
Income From FDR in Bank	13	7
Interest on Loan (Gross TDS ` 32,88,417/- (Previous Year Gross TDS ` 22,47,971/-	33,042	23,080
<b>Total</b>	<b>45,428</b>	<b>8,87,633</b>

## NOTE 20: OTHER INCOME

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Dividend	3	91
<b>Total</b>	<b>3</b>	<b>91</b>

## NOTE 21: PURCHASE OF STOCK IN TRADE

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Purchases of shares	3,275	8,35,138
Trading Expenses	48	789
<b>Total</b>	<b>3,323</b>	<b>8,35,927</b>

**NOTE 22: CHANGE IN INVENTORIES OF FINISHED GOODS**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Balance at the beginning of the year	11,482	39,440
Balance at the Closing of the year	3,928	11,482
<b>Total</b>	<b>7,553</b>	<b>27,958</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSES**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Salary Expenses	1,253	389
Staff Welfare Expense	19	2
Interest on Globe		4
<b>Total</b>	<b>1,273</b>	<b>395</b>

**NOTE 24: OTHER EXPENSES**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Advertisement & Publicity Expenses	20	29
AGM Expenses	12	11
Annual Charges For Credit Rating	18	23
Audit Fees	18	18
Bad Debts W/off	5,000	2
Bank Charges	0	3
Board Meeting Fees	3	4
Car Insurence	351	198
Car Repair & Maintenance	50	192
CDSL Custodial Fees	89	86
Computer Repair & Maintenance	16	13
Conveyance Expenses	59	54
Courier Charges	29	28
Demat Account Charges	2	1
Director Salary	2,100	-
Filing Fees	6	4
General Expenses	6	6
House Tax	-	65
Income Tax Appeal Filing Fees	2	-
Interest Expenses on Tax	127	504
Interest on Loan	225	269
Internal Audit Fees	10	10
ISO Certification Charges	6	6
Late Payment Charges	-	0
Legal & Professional charges	69	104
Listing Fees	130	98
NSDL Fees	2	82
Office Repair & Maintenance	184	192
Other Community Expense	3	3
Postal charges	24	3
Printing & Stationery	25	33
Loss on Sale of Fixed Assets	376	-
Registrar Charges	34	27
Software Expenses	28	
Tax Audit Fees	11	23
Telephone Expenses	2	-
Tour & Travelling Expenses	32	-
Vehicle Running Expenses	146	93

Software Expenses	28	-
Tax Audit Fees	11	23
Telephone Expenses	2	5
Tour & Travelling Expenses	32	-
Vehicle Running Expenses	146	93
<b>Total</b>	<b>9,214</b>	<b>2,189</b>

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

**DEPRECIATION CHART AS PER COMPANIES ACT, 2013.**

( in '000)

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/valuation as at beginning of the year 2018-19	Additions during the year 2018-19	Disposals/ Adjustments	Cost/valuation at the year end 2018-19	As at the beginning of the year 2018-19	Depreciation during the year 2018-19	Disposals/ Adjustments	Total up to the year end 2017-18	As at the Current year end 2019	As at the previous year end 2018
<b>Tangible Assets</b>										
Building	5,477	-	-	5,477	1,188	214	-	1,402	4,075	4,289
Furniture & Fixtures	1,260	-	-	1,260	785	-	-	785	475	475
Vehicles	17,620	4,125	1,046	20,700	11,955	1,500	-	13,456	7,244	5,665
Office Equipment	1,058	-	-	1,058	647	126	-	773	285	411
<b>Total Assets</b>	<b>25,414</b>	<b>4,125</b>	<b>1,046</b>	<b>28,494</b>	<b>14,575</b>	<b>1,841</b>	<b>-</b>	<b>16,415</b>	<b>12,078</b>	<b>10,840</b>
<b>Previous year</b>	<b>25,341</b>	<b>73</b>	<b>-</b>	<b>25,414</b>	<b>11,575</b>	<b>3,000</b>	<b>-</b>	<b>14,575</b>	<b>10,840</b>	<b>13,767</b>

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

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SITAL LEASING AND FINANCE LIMITED

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(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

**DEPRECIATION CHART AS PER INCOME TAX ACT**

( in '000)

PARTICULARS	DEP. RATE	OPENING WDV	ADDITION / REVALUATION ON OR BEFORE 30.09.2018	ADDITION / REVALUATION AFTER 30.09.2018	SOLD DURING THE YEAR	TOTAL	DEPRECIATION	CLOSING WDV
Computer	40%	18,107	-	-	-	18,107	7,243	10,864
Furniture & Fixtures	10%	6,98,434	-	-	-	6,98,434	69,843	6,28,591
Office Building	10%	33,02,386	-	-	-	33,02,386	3,30,239	29,72,147
Plant & Machinery	15%	1,07,79,607	-	41,25,317	6,70,000	1,42,34,924	18,25,840	1,24,09,084
<b>Total Assets</b>		<b>1,47,98,534</b>	<b>-</b>	<b>41,25,317</b>	<b>6,70,000</b>	<b>1,82,53,851</b>	<b>22,33,165</b>	<b>1,60,20,686</b>

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

## **Note 1: COMPANY INFORMATION**

Sital Leasing & Finance Ltd. is a Public Limited Company (The Company) having registered office at 322, 3rd Floor, S.S Plaza Commercial Complex, Mayfield Garden, Sector-47 Gurgaon, Haryana 122001. The Company is listed on the MSEI (Metropolitan Stock Exchange of India Ltd.) The company is engaged in the business of investment, financing, trading in shares and securities activities. We believe that we are well placed to leverage on the growth opportunities in the economy.

## **Note 2 : SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Basis for preparation of Accounts:**

The financial statements have been prepared under the historical cost convention on accrual basis, except pertaining to amalgamation accounting in the earlier years, in accordance with the generally accepted accounting principles, provisions of the Companies Act, 2013, and Accounting Standards (AS) notified under Companies (Accounting Standards) Amendment Rules, 2017 u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statement have been prepared in conformity with generally accepted accounting principle to comply in all material respect with the notified accounting standards ('AS') under companies accounting standards Rules, as amended, the relevant provisions of the companies Act, 2013 ('the Act') and the guidelines issued by the Reserve Bank of India (RBI) as applicable to an Non - Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The company adopts accrual system of accounting unless otherwise stated.

### **(b) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reposting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

### **(c) Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Intangible Assets expected to provide future enduring economic benefits are carried at cost less accumulated amortization and impairment losses, if any. Cost comprise of purchase price and directly attributable expenditure on making the assets ready for its intended use.

(d) **Depreciation & Impairment of Assets**

Depreciation on fixed assets is provided on Written down Value method, over the useful lives and in the manner prescribed in Schedule II to the Companies Act, 2013.

(e) **Investment**

Long-term investments are stated at cost. Provision of diminution in the value of long-term investments is made only if; such a decline is other than temporary in the opinion of the management. As in case of our company such decline is presumed to be temporary hence no provision has been created.

(f) **Revenue Recognition**

(i) Loan Income

In respect of loan agreements, the income is accrued by applying the impact rate in the transaction on declining balance on the amount financed for the period of the agreement.

(ii) Dividend income on investments is accounted for as and when the right to receive the same is established.

(iii) No income is recognized in respect of Non- performing assets, if any, as per the prudential norms for income recognition introduced for Non-Banking Financial Corporation by Reserve Bank of India vide its notification .DFC.NO.119/DG/(SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22-02-2007.

(g) **Provisions of Assets**

The company makes provisions for standard and Non-performing Assets as per the Non-Banking Financial (Non-Deposit Accepting of Holding Companies prudential Norms Reserve Bank) Directions, 2007, as amended from time to time. The company also makes additional provisions towards loan assets, to the extent considered necessary, based on the management's best estimate.

Loan assets which as per the management are not likely to be recovered are considered as bad debts and written off.

Provisions on standards assets are made as per the notification DNBS.PD.CC.No. 002/03.10.001/2014-15 DATED NOV 10, 2014 issued by Reserve Bank of India.

(h) **Statutory/ Special reserve**

The Company creates Statutory / Special Reserve every year twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(i) **Employee Benefits**

Company do not follow the provision of the accounting Standard-15 "Employee benefits" as the company do not have employee more than 10 personnel's. So it is the policy of the company that any kind of provision mentioned in the AS -15 will not be entertained. And the company does not make provision for gratuity also.

In case the company's employee limits goes beyond the prescribed limits then AS-15 for Employee benefits will be taken into consideration.

(j) **Financial Derivatives and Commodity Hedging Transaction:**

In respect of Derivative contracts, premium paid, gain & losses on settlement and losses on restatement are recognized in the Statement of profit & Loss.

(k) **Accounting of Inventories:**

Stock in trade should be valued at cost or market price whichever is lower.

(l) **Provisions, contingents Liabilities and contingent Assets**

(i) A Provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(ii) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the managements of the facts and legal aspects of the matter involved in case of:

(a) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) A possible obligation, unless the probability of outflow of resources is remote.

(iii) Contingent Assets are neither recognized, nor disclosed in the financial statements.



(m) **Taxation**

Provisions for current tax is made in accordance with and at the rates specified under the Income Tax Act, 1961, in accordance with Accounting Standard 22- 'Accounting for taxes on Income', issued by the Institute of Chartered Accountant of India.

(n) **Earnings per share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted averages number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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 diluted potential equity shares.

(o) **Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statements comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amount of cash.

24. Previous year's figures have been reworked, regrouped, & reclassified wherever necessary to confirm to the current year presentation.
25. In the opinion of Board of Director, the current Assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
26. As per AS-13, all long term investments are to be carried at cost less diminution in the value except for temporary diminution. There is non provision of diminution in the value of Non Current Investment to the tune of ` 178.79 Crores by virtue of which profit of the company has been overstated by ` 178.79 Crores. Further, As per AS-2 the inventories are to be valued at cost or market values whichever is less. There is non provision for shortfall in value of inventories to the tune of ` 13.50 Lacs by virtue of which profit of the company has been overstated by ` 13.50 Lacs.
27. During the year, the company has not made any provision for Doubtful Assets in respect of Loan outstanding.
28. During the year, the Company has purchased shares Quoted/unquoted and Commodities (If Any) has been considered as stock in trade by the Management.
29. During the year, the company has not been traded in F & O's.

30. Statutory Reserve represents the Reserve Fund created u/s 45-IC of the Reserve Bank of India Act, 1934. An amount of ` 29,82,044/- (Previous Year ` 23,67,799/-) representing 20% of Net Profit is transferred to the fund for the year.

31. **Contingent liabilities and pending litigations:**

(A) There is a pending tax demand of Rs. 10.07 Crore against the company. The above demand was raised by the Income Tax department for A.Y. 2010-11. The company has filed an appeal before CIT(A) against the demand for A.Y. 2010-11. The matter is pending before CIT(A). The company is hopeful to get relief.

(B) There is a pending tax demand of Rs. 3.04 Crore against the company. The above demand was raised by the Income Tax department for A.Y. 2011-12. The company has filed an appeal before CIT(A) against the demand for A.Y. 2011-12. The matter is pending before CIT(A). The company is hopeful to get relief.

32. The company's business activity falls within two primary/ secondary business segment viz. Finance Activity and dealing in shares & securities. The disclosure requirement of Accounting standard (AS) -17 "Segment Reporting" issued by the Institute of chartered Accountants of India, therefore is given below:

Income From Financial Segment	-	3.31 CR
Income From Investment Segment	-	1.24 CR
Total Expense	-	2.32 CR
Net Profit	-	1.50 CR

33. **Auditor's remuneration :**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Statutory Audit	18,320/-	18,320/-
Tax Audit Fees	11,236/-	11,236/-

34. Information as required by Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 is Furnished vide Annexure -1 Attached Herewith.

35. Information as required by Non Banking Financial Companies -Corporate Governance (Reserve Bank) Direction, 2015 is Furnished vide Annexure -II Attached Herewith.

36. **Provision for Standard and Non-Performing Assets:** Provision for non performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.40% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

(In `)

Particulars	2018-19	2017-18
<b>Sub standard Assets</b>		
Total Non-Performing Assets	6,34,973.00	6,34,973.00
Provision already available	6,34,973.00	0.00
Additional Provision made during the year	0.00	6,34,973.00
Reversed Provision During the Year	0.00	0.00
<b>Total Provision at the end of the Year</b>	<b>6,34,973.00</b>	<b>634,973.00</b>
<b>Standard Assets</b>		
Provision already available	6,19,510.00	5,86,527.55
Additional Provision made during the year	1,83,442.00	32982.45
<b>Total Provision at the end of the Year</b>	<b>6,19,510.00</b>	<b>6,19,510.00</b>

37. Earnings per Share "AS-20" issued by the Institute of chartered Accountants of India:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Profit after taxation as Statement of Profit and Loss (in Rupees)	1,50,17,706	1,13,82,848
(B) Weight Average number of equity Shares outstanding during the year	61,25,73,750	61,25,73,750
(C) Nominal value of Equity shares (in rupees)	1.00	1.00
(D) Basic Earnings per Share	0.02	0.02
(E) Diluted Earnings per share	0.02	0.02

38. Related Party Disclosure:

As per Accounting Standard 18 on related Party disclosure issued by the Institute of chartered Accountants of India, the nature and volume of transaction of the company during the year with the related parties were as follows:

Name of the Related Party	Relationship	Nature of Transaction	Number of Transaction	Amount of Transaction	Amount o/s on B.S Date
KDG Properties & constructions Private Limited	Virendra Jain Director of KDG Properties & Construction Pvt. Ltd. is Brother of Surendra Kumar Jain	Investment	0	0	200,00,00,00 0

Utsav Securities Private Limited	Virendra Jain Director of Utsav Securities Pvt. Ltd. is Brother of Surendra Kumar Jain	Investment	0	0	325,00,00,000
Surendra Kumar Jain	Managing Director	Director Remuneration	10	21,00,000/-	1,53,800/-
Rainy Jain	Company Secretary	KMP Remuneration	3	36,000/-	0
Mekaster Finlease Ltd.	Virendra Jain Director of Mekaster Finlease Ltd. is Brother of Surendra Kumar Jain	Loan & Advances	5	3,53,44,713/-	0
Babita Jain	Babita Jain is wife of Virender Jain who is brother of Surendra Kumar Jain	Loan (Liability)	4	27,47,912/-	0

Note: Related party relationship is as identified by the Company and relied upon by the auditor.

The following Director of the company are Director in other Companies:

SURENDRA KUMAR JAIN	PRITI JAIN	SUJAN LAL MEHTA	ANIL PRAKASH
SUNSHINE CAPITAL LIMITED	PB HOUSING DEVELOPMENT PVT. LTD.	KALLINUGGER AND KHOREEL TEA CO LTD	SUNSHINE CAPITAL LIMITED
SHRI NIWAS LEASING AND FINANCE LIMITED	GREAT BEAR AVIATION PVT LTD	BARDUAR TEA & TIMBER CO LTD	TRANSNATIONAL GROWTH FUND LTD.
EURO ASIA LABORATORIES LIMITED	JP BUILDCON PVT. LTD.	C BATIA & CO PVT LTD	RKG FINVEST LIMITED
TRANSNATIONAL GROWTH FUND LTD	SHOURYA DEVELOPERS PVT. LTD.	SUNSHINE CAPITAL LIMITED	ECHT FINANCE LIMITED
RKG FINVEST LIMITED	PB PROPERTIES PVT. LTD.	-	COSMO BUILDTECH PRIVATE LIMITED
-	ECHT FINANCE LIMITED	TRANSNATIONAL GROWTH FUND LTD.	-
-	EURO ASIA LABORATORIES LIMITED	RKG FINVEST LIMITED	-
-	-	ECHT FINANCE LIMITED	-
-	-	JAIPUR INVESTMENT LIMITED	-

39. The Company estimates the deferred tax created / (credit) using the applicable rate of Taxation based on the impact of timing Differences between financial Statements and Estimated taxable income for the current Year.

**Details of Deffered Tax Assets (Liabilities) are As follows:**

<b>Calculation of Deferred Tax Assets</b>	
WDV as per Companies Act	1,20,78,363.00
WDV as per Income Tax act	1,60,20,686.00
Timing Difference	(39,42,323.00)
<b>Deferred Tax Assets</b>	<b>13,15,947.42</b>

40. There are no micro, Small and Medium Enterprises, to whom the Company owes dues which outstanding for more than 45 days as at 31<sup>st</sup> March 2019. This information as required to be disclosed under the micro, small and medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with company.

**In terms of our Report of even date annexed.**

**FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FRN : 027217N**

**FOR SITAL LEASING & FINANCE LIMITED**

**CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M. NO. 529400**

**SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035**

**PRITI JAIN  
(DIRECTOR)  
DIN: 00537234**

**PLACE: GURUGRAM  
DATE : 28.05.2019**

**NISHU JAIN  
(COMPANY SECRETARY)  
M. NO. A58126**

**PIYUSH JAIN  
(C.F.O.)**

## INDEPENDENT CONSOLIDATED AUDITORS' REPORT

To  
The Members of Sital Leasing And Finance Limited  
**Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of Sital Leasing And Finance Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2019, its profit (or Loss) Loss Amount of Rs. 1,65,49,216/- and cash out flows for the year ended on that date.

### **Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

### **Key audit matters**

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**(A) Adoption of new revenue recognition standard Ind AS 115 (This is added only for illustrative purposes and the auditor has to decide the most significant matter and modify this section accordingly)**

#### **Details of the Key Audit Matter**

The Company adopted Ind AS 115 “Revenue from Contracts with Customers” with effect from April 1, 2018. The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and point of recognition of revenue.

Ind AS 115 also requires extensive disclosures.

#### **Auditors’ Response to the Key Audit Matter**

We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard (Ind AS 115).

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

(a) Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

(b) Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

(c) Selected a sample of continuing and new contracts and performed the following procedures:

- Read, analysed and identified the distinct performance obligations in these contracts.
- Compared these performance obligations with that identified and recorded by the Company.
- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
- Performed analytical procedures for reasonableness of revenue recognition as per Ind AS 115.

#### **Information other than the financial statements and auditors’ report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



The boards of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to our, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to our;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For PBH & Co.  
(Chartered Accountant)  
Firm Regn No: 027217N

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO : 529400

**PLACE: GURUGRAM**  
**DATE: 28.05.2019**

## **Annexure “A” to the Independent Auditor’s Report\***

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Sital Leasing And Finance Limited of even date)

1. In respect of the Company’s fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

3. According to information and explanation given to us, the company has granted interest bearing loan unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 179 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. In our opinion and according to information and explanation given to us, the company granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

7. 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, amounts deducted/ accrued in the books of

account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8 In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has not paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13. 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 section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14 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. Accordingly, paragraph 3(xiv) of the order is not applicable.

15 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 them. Accordingly, paragraph 3(xv) of the order is not applicable.

16 The Company is engaged in the business of Non-Banking financial institution and has obtained certificate of registration with RBI dated 12/12/2001, Reg. Certificate No. B-14.02131

For PBH & Co.  
(Chartered Accountant)  
Firm Regn No: 027217N

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO : 529400

**PLACE: GURUGRAM**  
**DATE: 28.05.2019**

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Sital Leasing And Finance Limited of even date)

### **Report on the internal financial controls over financial reporting 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 Sital Leasing And Finance Limited (“the Company”) as at March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls**

The board of directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in the financial statements, whether due to fraud or error.

Our 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

### **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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For PBH & Co.  
(Chartered Accountant)  
Firm Regn No: 027217N

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO : 529400

**PLACE: GURUGRAM**  
**DATE: 28.05.2019**

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001  
Consolidated Balance Sheet As at 31.03.2019

(` in '000)

Particulars	Note No.	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL, 2017
1	2	3	4	5
<b>(1) ASSETS</b>				
<b>Non-current assets</b>		-	-	-
(a) Property, Plant and Equipment	3	12,078	10,840	13,767
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible assets		-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial Assets				
(i) Investments	4	95,10,515	95,08,984	95,00,000
(ii) Trade receivables		-	-	-
(iii) Loans	5	2,01,413	1,55,553	1,67,619
(iv) Others (to be specified)		-	-	-
(i) Deferred tax assets (net)	6	1,514	1,223	1,011
(j) Other non-current assets		-	-	-
<b>(2) Current assets</b>				
(a) Inventories	7	3,928	11,482	39,440
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents	8	498	327	349
(iv) Bank balances other than (iii) above	9	425	20,930	493
(v) Loans		-	-	-
(vi) Others (to be specified)		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	10	4,869	5,223	3,541
<b>Total Assets</b>		<b>97,35,240</b>	<b>97,14,560</b>	<b>97,26,220</b>

Cont.....

<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	<b>11</b>	6,12,574	6,12,574	6,12,574
(b) Other Equity	<b>12</b>	91,08,568	90,92,322	90,88,158
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings				
(ii) Trade payables	<b>13</b>	-	-	1,604
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions	<b>14</b>	1,438	1,254	587
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities		-	-	-
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	<b>15</b>	3,690	1,604	-
(ii) Trade payables	<b>16</b>	759	4	15,283
(iii) Other financial liabilities (other than those specified in item (c))		-	-	-
(b) Other current liabilities	<b>17</b>	894	386	2,289
(c) Provisions	<b>18</b>	7,317	6,416	5,725
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Equity and Liabilities</b>		<b>97,35,240</b>	<b>97,14,560</b>	<b>97,26,220</b>

See accompanying notes to the financial statements

1

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED FOR PBH & CO.

(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

## STATEMENT OF CHANGES IN EQUITY

## SITAL LEASING AND FINANCE LIMITED

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

Consolidated Statement of Changes in Equity for the period ended 31.03.2019

₹ in '000)

## A. Equity Share Capital

PARTICULAR	No. Of Shares	Amount of Shares
As at 01st April,2017	61,25,73,750	6,12,574
Changes in equity share capital during the year	-	-
As at 31st March,2018	61,25,73,750	6,12,574
Changes in equity share capital during the year	-	-
As at 31st March,2019	61,25,73,750	6,12,574

## B. Other Equity

PARTICULAR	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
As at 01st April 2017	-	-	-	89,48,888	1,12,023	27,248	-	-	-	-	-	-	-	90,88,158
Profit for the year	-	-	-	-	-	20,367	-	-	-	-	-	-	-	20,367
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(18,570)	-	-	-	-	-	-	-	(18,570)
As at 31st March 2018	-	-	-	89,48,888	1,14,390	29,044	-	-	-	-	-	-	-	90,92,322
profit for the year	-	-	-	-	-	16,549	-	-	-	-	-	-	-	16,549
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(3,286)	-	-	-	-	-	-	-	(3,286)
As at 31st March 2019	-	-	-	89,48,888	1,17,372	42,308	-	-	-	-	-	-	-	91,08,568

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED  
FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217NFOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITEDCA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035PRITI JAIN  
(DIRECTOR)  
DIN : 00537234PLACE : GURUGRAM  
DATE : 28.05.2019NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126PIYUSH JAIN  
(C.F.O)

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

Consolidated Statement of Profit and Loss for the period ended 31.03.2019

(` in '000)

S.N	Particulars	Note No.	YEAR ENDED 31ST MARCH 2019	YEAR ENDED 31ST MARCH 2018
I	Revenue From Operations	19	45,428	8,87,633
II	Other Income	20	3	91
III	Total Income (I+II)		45,431	8,87,724
IV	<b>EXPENSES</b>			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade	21	3,323	8,35,927
	Changes in inventories of finished goods	22	7,553	27,958
	Stock-in -Trade and work-in-progress		-	-
	Employee benefits expense	23	1,273	395
	Finance costs		-	-
	Depreciation and amortization expense	3	1,841	3,000
	Other expenses	24	9,214	2,189
	Total expenses (IV)		23,203	8,69,469
V	Profit/(loss) before exceptional items and tax (I- IV)		22,227	18,255
VI	Exceptional Items		183	668
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>22,044</b>	<b>17,587</b>
	<b>Shares in Associates Company</b>		<b>1,532</b>	<b>8,984</b>
VIII	Tax expense:			
	(1) Current tax		7,317	6,416
	(2) MAT Credit Entitlement		-	-
	(3) Deferred tax		(291)	(212)
	(4) Excess Provision of earlier Year		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		<b>16,549</b>	<b>20,367</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		<b>16,549</b>	<b>20,367</b>

Cont.....

	Other Comprehensive Income			
XIV	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		-	-
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		0.03	0.03
	(2) Diluted		0.03	0.03
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		0.03	0.03
	(2) Diluted		0.03	0.03

**See accompanying notes to the financial statements**

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR . FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

**PLACE : GURUGRAM  
DATE : 28.05.2019**

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

**SITAL LEASING AND FINANCE LIMITED**Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

Consolidated Statement of Cash Flows for the year ended 31.03.2019

(' IN LACS)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>Cash flows from operating activities</b>		
Profit before taxation	237.59	272.38
Adjustments for:		
Depreciation	18.41	30.00
Provision for income tax	-	-
Deferred tax	-	-
<b>Working capital changes:</b>		
(Increase) / Decrease in trade and other receivables	79.07	100.77
Increase / (Decrease) in trade payables	12.62	(149.52)
Cash generated from operations		
Interest paid		-
tax paid	(64.16)	(57.25)
Dividends paid		
<b>Net cash from operating activities</b>	283.54	196.38
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(0.73)
Purchase/ Sale of investment	-	
<b>Net cash used in investing activities</b>	-	(0.73)
<b>Cash flows from financing activities</b>		
Loans & Advances Given/Received	(492.43)	120.67
Repayment of Car Loan	20.86	(22.30)
Dividends paid	-	-
<b>Net cash used in financing activities</b>	(471.57)	98.37
<b>Shares in Associates Company</b>	15.32	89.84
<b>Net increase in cash and cash equivalents</b>	(203.35)	204.18
<b>Cash and cash equivalents at beginning of period</b>	212.58	8.40
<b>Cash and cash equivalents at end of period</b>	9.23	212.58

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217NFOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITEDCA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035PRITI JAIN  
(DIRECTOR)  
DIN : 00537234PLACE : GURUGRAM  
DATE : 28.05.2019NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126PIYUSH JAIN  
(C.F.O)

## Notes to Financial Statements

### OTHER NON CURRENT ASSETS

#### NOTE 4: NON CURRENT INVESTMENT

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	<b>Unquoted Equity Shares</b>					
Carewell Exim Pvt. Ltd.	1000000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
KDG Properties & Construction Pvt. Ltd.	2000000	20,00,000	20,00,000	20,00,000	20,00,000	20,00,000
Solomon Holdings Pvt. Ltd.	3250000	32,50,019	32,50,000	32,50,010	32,50,000	32,50,000
Utsav Securities Pvt. Ltd.	3250000	32,60,496	32,50,000	32,58,974	32,50,000	32,50,000
<b>Total</b>		<b>95,10,515</b>		<b>95,08,984</b>		<b>95,00,000</b>

#### NOTE 5: LOAN

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	<b>Unsecured, Considered Good</b>					
Loans at agreement values less instalment Standard Assets		2,01,373		1,55,513		1,67,579
<b>Other Loans &amp; Advances</b>						
DSE Security Deposits		40		40		40
<b>Total</b>		<b>2,01,413</b>		<b>1,55,553</b>		<b>1,67,619</b>

#### NOTE 6: DEFERED TAX ASSETS (NET)

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Opening Balance		1,223		1,011	
Created/ Reversed During the year		291		212		417
<b>Total</b>		<b>1,514</b>		<b>1,223</b>		<b>1,011</b>

#### NOTE 7: INVENTORIES

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Stock In Shares As Per "Annexure-A"		3,928		11,482	
<b>Total</b>		<b>3,928</b>		<b>11,482</b>		<b>39,440</b>

#### NOTE 8: CASH & CASH EQUIVALENTS

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Cash in Hand		498		327	
<b>Total</b>		<b>498</b>		<b>327</b>		<b>349</b>

#### NOTE 9: BANK & BANK BALANCES

(₹ in '000)

PARTICULARS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018		AS AT 1ST APRIL 2017	
	Dena Bank		-		13	
HDFC Bank Ltd.		259		20,763		260
HDFC Bank Ltd Fixed Deposit		166		155		220
<b>Total</b>		<b>425</b>		<b>20,930</b>		<b>493</b>



**NOTE 10: OTHER CURRENT ASSETS**

(` in '000)

PARTICULARS	AS AT		AS AT
	31ST MARCH 2019	31ST MARCH 2018	1ST APRIL 2017
Share Application Money	-	11	-
Balance with Revenue Authorities	80	263	195
Advance Tax for A.Y. 2017-18	-	-	1,000
Tax Deducted at Source A.Y. 2017-18	-	-	2,347
Advance Tax for A.Y. 2018-19	-	2,700	-
Tax Deducted at Source A.Y. 2018-19	-	2,248	-
Tax Deducted at Source A.Y. 2019-20	3,288	-	-
Advance Tax for A.Y. 2019-20	1,500	-	-
<b>Total</b>	<b>4,868.58</b>	<b>5,223</b>	<b>3,541.35</b>

**NOTE 11: SHARE CAPITAL**

(` in '000)

PARTICULARS	AS AT		AS AT
	31ST MARCH, 2019	31ST MARCH, 2018	1ST APRIL 2017
<b>Authorised Share Capital</b>			
65,00,00,000 Equity Share of ` 1/- Each (Previous Year 65,00,00,000 Equity share of `1/-each)	6,50,000	6,50,000	6,50,000
	<u>6,50,000</u>	<u>6,50,000</u>	<u>6,50,000</u>
<b>Issued , Subscribed &amp; Paid up Shares</b>			
Shares at the end of the Accounting Period 61,25,73,750 (Previous Year 612573750) Equity Shares of ` 1/-	6,12,574	6,12,574	6,12,574
<b>Total</b>	<b>6,12,574</b>	<b>6,12,574</b>	<b>6,12,574</b>

12.1 The company has only one class of equity Shares having Par Value of ` 1/- per Share. All these Shares have Same right & preferences with respect to payment of dividend, re-payment of Capital & Voting.

12.2 The reconciliation of the number of Shares outstanding is set out Below

12.3 Shares In The Company Held By Each Shareholder Holding More Than 5% shares

Name of the Shareholders	AS AT		AS AT		AS AT	
	31ST MARCH, 2019		31ST MARCH, 2018		1ST APRIL 2017	
	% of Shares held	No. Of Share	% of Shares held	No. Of Share	% of Shares held	No. Of Share
Avail Financial Services Ltd.	7.41	4,53,64,291	6.87	4,20,57,441	6.43	3,93,71,271
Legend Infoways Pvt. Ltd.	15.61	9,56,25,000	15.61	9,56,25,000	15.61	9,56,25,000
Microland Developers Pvt. Ltd.	14.57	8,92,50,000	14.57	8,92,50,000	14.57	8,92,50,000

**NOTE 12: OTHER EQUITY**

Refer Statement of Changes in Equity for detailed movement in Equity balance

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
<b>Researve u/s 451C</b>			
At The Beginning Of The Accounting Period	8,575	6,207	4,110
Additions During The Year	2,982	2,368	2,097
At The End Of The Accounting Period	11,557	8,575	6,207
<b>General Researve</b>			
At The Beginning Of The Accounting Period	1,05,816	1,05,816	1,05,816
Additions During The Year	-	-	-
At The End Of The Accounting Period	1,05,816	1,05,816	1,05,816
<b>Securities Premium Account</b>			
At The Beginning Of The Accounting Period	89,48,888	89,48,888	89,48,888
Additions During The Year	-	-	-
At The End Of The Accounting Period	89,48,888	89,48,888	89,48,888
<b>Surplus in Statement of Profit &amp; loss</b>			
At The Beginning Of The Accounting Period	29,044	27,248	18,798
Additions During The Year	16,549	20,367	10,735
	45,594	47,615	29,534
<b>Transfer to Researve</b>			
Researve u/s 451C	(2,982)	(2,368)	(2,097)
Provision for CSR Expenses	(304)	(239)	(188)
Intersegment Transfer Exp W/off	-	(15,963)	-
	(3,286)	(18,570)	(2,285)
At The End Of The Accounting Period	42,308	29,044	27,248
<b>Grand Total</b>	<b>91,08,568</b>	<b>90,92,322</b>	<b>90,88,158</b>

**NON-CURRENT LIABILITES****NOTE: 13 TRADE PAYABLES**

(` in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
<b>Term Loan</b>			
Loan From Bank (Secured Loan)	-	-	1,604
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,604</b>

**NOTE: 14 LONG TERM PROVISION**

(' in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
Provision for Standard Assets	803	620	587
Provision for Loss Assets	635	635	-
<b>Total</b>	<b>1,438</b>	<b>1,254</b>	<b>587</b>

**NOTE: 15 SHORT TERM BORROWINGS**

(' in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL 2017
<b>Term Loans</b>			
Loan from ICICI Bank (Secured Loan)	3,690	1,604	-
<b>Total</b>	<b>3,690</b>	<b>1,604</b>	<b>-</b>

**CURRENT LIABILITIES:****NOTE 16: TRADE PAYABLES**

(' in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	
Trade Payable	759	4	15,283
<b>Total</b>	<b>759</b>	<b>4</b>	<b>15,283</b>

**NOTE 17 : OTHER CURRENT LIABILITIES**

(' in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	
Expenses Payable	894	386	2,289
<b>Total</b>	<b>894</b>	<b>386</b>	<b>2,289</b>

**NOTE 18 : SHORT TERM PROVISION**

(' in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018	
Provision for Taxation	7,317	6,416	5,725
<b>Total</b>	<b>7,317</b>	<b>6,416</b>	<b>5,725</b>

**NOTE 19: REVENUE FROM OPERATION**

(' in '000)

PARTICULARS	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
Sale of Trading Goods	12,373	8,64,546
Income From FDR in Bank	13	7
Interest on Loan (Gross TDS ` 32,88,417/- (Previous Year Gross TDS ` 22,47,971/-)	33,042	23,080
<b>Total</b>	<b>45,428</b>	<b>8,87,633</b>

**NOTE 20: OTHER INCOME**

(' in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Dividend	3	91
<b>Total</b>	<b>3</b>	<b>91</b>

**NOTE 21: PURCHASE OF STOCK IN TRADE**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Purchases of shares	3,275	8,35,138
Trading Expenses	48	789
<b>Total</b>	<b>3,323</b>	<b>8,35,927</b>

**NOTE 22: CHANGE IN INVENTORIES OF FINISHED GOODS**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Balance at the beginning of the year	11,482	39,440
Balance at the Closing of the year	3,928	11,482
<b>Total</b>	<b>7,553</b>	<b>27,958</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSES**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Salary Expenses	1,253	389
Staff Welfare Expense	19	2
Interest on Globe		4
<b>Total</b>	<b>1,273</b>	<b>395</b>

**NOTE 24: OTHER EXPENSES**

(` in '000)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH, 2018
Advertisement & Publicity Expenses	20	29
AGM Expenses	12	11
Annual Charges For Credit Rating	18	23
Audit Fees	18	18
Bad Debts W/off	5,000	2
Bank Charges	0	3
Board Meeting Fees	3	4
Car Insurance	351	198
Car Repair & Maintenance	50	192
CDSL Custodial Fees	89	86
Computer Repair & Maintenance	16	13
Conveyance Expenses	59	54
Courier Charges	29	28
Demat Account Charges	2	1
Director Salary	2,100	-
Filing Fees	6	4
General Expenses	6	6
House Tax	-	65
Income Tax Appeal Filing Fees	2	-
Interest Expenses on Tax	127	504
Interest on Loan	225	269
Internal Audit Fees	10	10
ISO Certification Charges	6	6
Late Payment Charges	-	0
Legal & Professional charges	69	104
Listing Fees	130	98
NSDL Fees	2	82
Office Repair & Maintenance	184	192
Other Community Expense	3	3
Postal charges	24	3
Printing & Stationery	25	33
Loss on Sale of Fixed Assets	376	-
Registrar Charges	34	27
Software Expenses	28	-
Tax Audit Fees	11	23
Telephone Expenses	2	5
Tour & Travelling Expenses	32	-
Vehicle Running Expenses	146	93
<b>Total</b>	<b>9,214</b>	<b>2,189</b>

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

**CONSOLIDATED DEPRECIATION CHART AS PER COMPANIES ACT, 2013.**

(` in '000)

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/valuation as at beginning of the year 2018-19	Additions during the year 2018-19	Disposals/ Adjustments	Cost/valuation at the year end 2018-19	As at the beginning of the year 2018-19	Depreciation during the year 2018-19	Disposals/ Adjustments	Total up to the year end 2017-18	As at the Current year end 2019	As at the previous year end 2018
<b>Tangible Assets</b>										
Building	5,477	-	-	5,477	1,188	214	-	1,402	4,075	4,289
Furniture & Fixtures	1,260	-	-	1,260	785	-	-	785	475	475
Vehicles	17,620	4,125	1,046	20,700	11,955	1,500	-	13,456	7,244	5,665
Office Equipment	1,058	-	-	1,058	647	126	-	773	285	411
<b>Total Assets</b>	<b>25,414</b>	<b>4,125</b>	<b>1,046</b>	<b>28,494</b>	<b>14,575</b>	<b>1,841</b>	<b>-</b>	<b>16,415</b>	<b>12,078</b>	<b>10,840</b>
<b>Previous year</b>	<b>25,341</b>	<b>73</b>	<b>-</b>	<b>25,414</b>	<b>11,575</b>	<b>3,000</b>	<b>-</b>	<b>14,575</b>	<b>10,840</b>	<b>13,767</b>

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

**SITAL LEASING AND FINANCE LIMITED**

Office No-322, III Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurugram, Haryana-122001

**CONSOLIDATED DEPRECIATION CHART AS PER INCOME TAX ACT**

( in '000)

PARTICULARS	DEP. RATE	OPENING WDV	ADDITION / REVALUATION ON OR BEFORE 30.09.2018	ADDITION / REVALUATION AFTER 30.09.2018	SOLD DURING THE YEAR	TOTAL	DEPRECIATION	CLOSING WDV
Computer	40%	18,107	-	-	-	18,107	7,243	10,864
Furniture & Fixtures	10%	6,98,434	-	-	-	6,98,434	69,843	6,28,591
Office Building	10%	33,02,386	-	-	-	33,02,386	3,30,239	29,72,147
Plant & Machinery	15%	1,07,79,607	-	41,25,317	6,70,000	1,42,34,924	18,25,840	1,24,09,084
<b>Total Assets</b>		<b>1,47,98,534</b>	<b>-</b>	<b>41,25,317</b>	<b>6,70,000</b>	<b>1,82,53,851</b>	<b>22,33,165</b>	<b>1,60,20,686</b>

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FIRM REGN NO:027217N

FOR AND ON BEHALF OF  
SITAL LEASING AND FINANCE LIMITED

CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M.NO: 529400

SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035

PRITI JAIN  
(DIRECTOR)  
DIN : 00537234

PLACE : GURUGRAM  
DATE : 28.05.2019

NISHU JAIN  
(COMPANY SECRETARY)  
M. NO: A58126

PIYUSH JAIN  
(C.F.O)

## **Note 1: COMPANY INFORMATION**

Sital Leasing & Finance Ltd. is a Public Limited Company (The Company) having registered office at 322, 3rd Floor, S.S Plaza Commercial Complex, Mayfield Garden, Sector-47 Gurgaon, Haryana 122001. The Company is listed on the MSEI (Metropolitan Stock Exchange of India Ltd.) The company is engaged in the business of investment, financing, trading in shares and securities activities. We believe that we are well placed to leverage on the growth opportunities in the economy.

## **Note 2 : SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Basis for preparation of Accounts:**

The financial statements have been prepared under the historical cost convention on accrual basis, except pertaining to amalgamation accounting in the earlier years, in accordance with the generally accepted accounting principles, provisions of the Companies Act, 2013, and Accounting Standards (AS) notified under Companies (Accounting Standards) Amendment Rules, 2017 u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statement have been prepared in conformity with generally accepted accounting principle to comply in all material respect with the notified accounting standards ('AS') under companies accounting standards Rules, as amended, the relevant provisions of the companies Act, 2013 ('the Act') and the guidelines issued by the Reserve Bank of India (RBI) as applicable to an Non - Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The company adopts accrual system of accounting unless otherwise stated.

### **(b) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

### **(c) Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Intangible Assets expected to provide future enduring economic benefits are carried at cost less accumulated amortization and impairment losses, if any. Cost comprise of purchase price and directly attributable expenditure on making the assets ready for its intended use.

(d) **Depreciation & Impairment of Assets**

Depreciation on fixed assets is provided on Written down Value method, over the useful lives and in the manner prescribed in Schedule II to the Companies Act, 2013.

(e) **Investment**

Long-term investments are stated at cost. Provision of diminution in the value of long-term investments is made only if; such a decline is other than temporary in the opinion of the management. As in case of our company such decline is presumed to be temporary hence no provision has been created.

(f) **Revenue Recognition**

(iv) Loan Income

In respect of loan agreements, the income is accrued by applying the impact rate in the transaction on declining balance on the amount financed for the period of the agreement.

(v) Dividend income on investments is accounted for as and when the right to receive the same is established.

(vi) No income is recognized in respect of Non- performing assets, if any, as per the prudential norms for income recognition introduced for Non-Banking Financial Corporation by Reserve Bank of India vide its notification .DFC.NO.119/DG/ (SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22-02-2007.

(g) **Provisions of Assets**

The company makes provisions for standard and Non-performing Assets as per the Non-Banking Financial (Non-Deposit Accepting of Holding Companies prudential Norms Reserve Bank) Directions, 2007, as amended from time to time. The company also makes additional provisions towards loan assets, to the extent considered necessary, based on the management's best estimate.



Loan assets which as per the management are not likely to be recovered are considered as bad debts and written off.

Provisions on standards assets are made as per the notification DNBS.PD.CC.No. 002/03.10.001/2014-15 DATED NOV 10, 2014 issued by Reserve Bank of India.

(h) **Statutory/ Special reserve**

The Company creates Statutory / Special Reserve every year twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(l) **Employee Benefits**

Company do not follow the provision of the accounting Standard-15 "Employee benefits" as the company do not have employee more than 10 personnel's. So it is the policy of the company that any kind of provision mentioned in the AS -15 will not be entertained. And the company does not make provision for gratuity also.

In case the company's employee limits goes beyond the prescribed limits then AS-15 for Employee benefits will be taken into consideration.

(m) **Financial Derivatives and Commodity Hedging Transaction:**

In respect of Derivative contracts, premium paid, gain & losses on settlement and losses on restatement are recognized in the Statement of profit & Loss.

(n) **Accounting of Inventories:**

Stock in trade should be valued at cost or market price whichever is lower.

(l) **Provisions, contingents Liabilities and contingent Assets**

(i) A Provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(ii) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the managements of the facts and legal aspects of the matter involved in case of:

(a) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) A possible obligation, unless the probability of outflow of resources is remote.

(iv) Contingent Assets are neither recognized, nor disclosed in the financial statements.

(m) **Taxation**

Provisions for current tax is made in accordance with and at the rates specified under the Income Tax Act, 1961, in accordance with Accounting Standard 22- 'Accounting for taxes on Income', issued by the Institute of Chartered Accountant of India.

(n) **Earnings per share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted averages number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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 diluted potential equity shares.

(o) **Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statements comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amount of cash.

24. Previous year's figures have been reworked, regrouped, & reclassified wherever necessary to confirm to the current year presentation.
25. In the opinion of Board of Director, the current Assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
26. As per AS-13, all long term investments are to be carried at cost less diminution in the value except for temporary diminution. There is non provision of diminution in the value of Non Current Investment to the tune of ` 179.84 Crores by virtue of which profit of the company has been overstated by ` 179.84 Crores. Further, As per AS-2 the inventories are to be valued at cost or market values whichever is less. There is non provision for shortfall in value of inventories to the tune of ` 13.50 Lacs by virtue of which profit of the company has been overstated by ` 13.50 Lacs.
27. During the year, the company has not made any provision for Doubtful Assets in respect of Loan outstanding.

28. During the year, the Company has purchased shares Quoted/unquoted and Commodities (If Any) has been considered as stock in trade by the Management.
29. During the year, the company has not been traded in F & O's.
30. Statutory Reserve represents the Reserve Fund created u/s 45-IC of the Reserve Bank of India Act, 1934. An amount of ` 29,82,044/- (Previous Year ` 23,67,799/-) representing 20% of Net Profit is transferred to the fund for the year.
31. **Contingent liabilities and pending litigations:**

(C) There is a pending tax demand of Rs. 10.07 Crore against the company. The above demand was raised by the Income Tax department for A.Y. 2010-11. The company has filed an appeal before CIT(A) against the demand for A.Y. 2010-11. The matter is pending before CIT(A). The company is hopeful to get relief.

(D) There is a pending tax demand of Rs. 3.04 Crore against the company. The above demand was raised by the Income Tax department for A.Y. 2011-12. The company has filed an appeal before CIT(A) against the demand for A.Y. 2011-12. The matter is pending before CIT(A). The company is hopeful to get relief.

32. The company's business activity falls within two primary/ secondary business segment viz. Finance Activity and dealing in shares & securities. The disclosure requirement of Accounting standard (AS) -17 "Segment Reporting" issued by the Institute of chartered Accountants of India, therefore is given below:

Income From Financial Segment	-	3.31 CR
Income From Investment Segment	-	1.24 CR
Total Expense	-	2.32 CR
Net Profit	-	1.50 CR

33. **Auditor's remuneration :**

Particulars	2018-19	2017-18
Statutory Audit	18,320/-	18,320/-
Tax Audit Fees	11,236/-	23,036/-

34. Information as required by Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 is Furnished vide Annexure -1 Attached Herewith.
35. Information as required by Non Banking Financial Companies -Corporate Governance (Reserve Bank) Direction, 2015 is Furnished vide Annexure -II Attached Herewith.
36. **Provision for Standard and Non-Performing Assets:** Provision for non performing assets (NPAs) is made in the financial statements according to the

Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.40% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

(In `)

Particulars	2018-19	2017-18
<b>Sub standard Assets</b>		
Total Non-Performing Assets	6,34,973.00	6,34,973.00
Provision already available	6,34,973.00	0.00
Additional Provision made during the year	0.00	6,34,973.00
Reversed Provision During the Year	0.00	0.00
<b>Total Provision at the end of the Year</b>	<b>6,34,973.00</b>	<b>634,973.00</b>
<b>Standard Assets</b>		
Provision already available	6,19,510.00	5,86,527.55
Additional Provision made during the year	1,83,442.00	32982.45
<b>Total Provision at the end of the Year</b>	<b>8,02,952.00</b>	<b>6,19,510.00</b>

37. Earnings per Share "AS-20" issued by the Institute of chartered Accountants of India:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(F) Profit after taxation as Statement of Profit and Loss (in Rupees)	1,65,49,216	2,03,66,578
(G) Weight Average number of equity Shares outstanding during the year	61,25,73,750	61,25,73,750
(H) Nominal value of Equity shares (in rupees)	1.00	1.00
(I) Basic Earnings per Share	0.03	0.03
(J) Diluted Earnings per share	0.03	0.03

38. **Related Party Disclosure:**

As per Accounting Standard 18 on related Party disclosure issued by the Institute of chartered Accountants of India, the nature and volume of transaction of the company during the year with the related parties were as follows:

Name of the Related Party	Relationship	Nature of Transaction	Number of Transaction	Amount of Transaction	Amount o/s on B.S Date
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KDG Properties & constructions Private Limited	Virendra Jain Director of KDG Properties & Construction Pvt. Ltd. is Brother of Surendra Kumar Jain	Investment	0	0	200,00,00,000
Utsav Securities Private Limited	Virendra Jain Director of Utsav Securities Pvt. Ltd. is Brother of Surendra Kumar Jain	Investment	0	0	325,00,00,000
Surendra Kumar Jain	Managing Director	Director Remuneration	10	21,00,000/-	1,53,800/-
Rainy Jain	Company Secretary	KMP Remuneration	3	36,000/-	0
Mekaster Finlease Ltd.	Virendra Jain Director of Mekaster Finlease Ltd. is Brother of Surendra Kumar Jain	Loan & Advances	5	3,53,44,713/-	0
Babita Jain	Babita Jain is wife of Virender Jain who is brother of Surendra Kumar Jain	Loan (Liability)	4	27,47,912/-	0

Note: Related party relationship is as identified by the Company and relied upon by the auditor.

The following Director of the company are Director in other Companies:

SURENDRA KUMAR JAIN	PRITI JAIN	SUJAN LAL MEHTA	ANIL PRAKASH
SUNSHINE CAPITAL LIMITED	PB HOUSING DEVELOPMENT PVT. LTD.	KALLINUGGER AND KHOREEL TEA CO LTD	SUNSHINE CAPITAL LIMITED
SHRI NIWAS LEASING AND FINANCE LIMITED	GREAT BEAR AVIATION PVT LTD	BARDUAR TEA & TIMBER CO LTD	TRANSNATIONAL GROWTH FUND LTD.
EURO ASIA LABORATORIES LIMITED	JP BUILDCON PVT. LTD.	C BATIA & CO PVT LTD	RKG FINVEST LIMITED
TRANSNATIONAL GROWTH FUND LTD	SHOURYA DEVELOPERS PVT. LTD.	SUNSHINE CAPITAL LIMITED	ECHT FINANCE LIMITED
RKG FINVEST LIMITED	PB PROPERTIES PVT. LTD.	-	COSMO BUILDTECH PRIVATE LIMITED
-	ECHT FINANCE LIMITED	TRANSNATIONAL GROWTH FUND LTD.	-

-	EURO ASIA LABORATORIES LIMITED	RKG FINVEST LIMITED	-
-	-	ECHT FINANCE LIMITED	-
-	-	JAIPUR INVESTMENT LIMITED	-

39. The Company estimates the deferred tax created / (credit) using the applicable rate of Taxation based on the impact of timing Differences between financial Statements and Estimated taxable income for the current Year.

**Details of Deffered Tax Assets (Liabilities) are As follows:**

<b>Calculation of Deferred Tax Assets</b>	
WDV as per Companies Act	1,20,78,363.00
WDV as per Income Tax act	1,60,20,686.00
Timing Difference	(39,42,323.00)
<b>Deferred Tax Assets</b>	<b>13,15,947.42</b>

40. There are no micro, Small and Medium Enterprises, to whom the Company owes dues which outstanding for more than 45 days as at 31<sup>st</sup> March 2019. This information as required to be disclosed under the micro, small and medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with company.

**In terms of our Report of even date annexed.**

**FOR PBH & CO.  
(CHARTERED ACCOUNTANTS)  
FRN : 027217N**

**FOR SITAL LEASING & FINANCE LIMITED**

**CA. BHUSHAN SINGH TANWAR  
(PARTNER)  
M. NO. 529400**

**SURENDRA KUMAR JAIN  
(MANAGING DIRECTOR)  
DIN: 00530035**

**PRITI JAIN  
(DIRECTOR)  
DIN: 00537234**

**PLACE: GURUGRAM  
DATE : 28.05.2019**

**NISHU JAIN  
(COMPANY SECRETARY)  
M. NO. A58126**

**PIYUSH JAIN  
(C.F.O.)**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2019**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**Sital Leasing And Finance Limited**  
(L65910HR1983PLC050169)  
Office No. 322, 3rd Floor, SS Plaza Commercial Complex,  
Mayfield Garden, Sector-47,  
Gurgaon, Haryana-122001 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sital Leasing And Finance Limited (L65910HR1983PLC050169)**. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **M/s Sital Leasing And Finance Limited (L65910HR1983PLC050169)** 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Sital Leasing And Finance Limited (L65910HR1983PLC050169)** ("the Company") for the financial year ended on 31.03.2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and rule made thereunder;

- a) The Company has not complied with the provision of Section 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Chief Financial Officer (Appointment Date 12.11.2018) and Company Secretary (Resignation by last Company Secretary on 30.05.2018).*

- b) *The Company has not complied with the provision of Section 173(3) of the Companies Act, 2013 read with The Companies (Meeting of Board and its Power) Rules, 2014 for maintaining the proof of Sending Notice & Agenda of Board Meeting to its Directors during the audit period;*
- c) *Surendra Kumar Jain (DIN-00530035) Director of the Company, appointed Managing Director for 5 year subject to certain condition on 24<sup>th</sup> January, 2014 and whose office shall not be liable to retire by rotation but Company in their Annual General Meeting held on 26<sup>th</sup> September, 2018 retire him by rotation and also re-appoint.*
- d) *Remuneration paid to Managerial Personnel is as per Section 197 and 198 of Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel ) Rule, 2014 and Schedule V but the Company has paid remuneration to its Managing Director in excess of amount as approved by the members.*
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- 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, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable in the period of Audit**]
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. [**Not Applicable in the period of Audit**]
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. [**Not Applicable in the period of Audit**]
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. [**Not Applicable in the period of Audit**]



g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **[Not Applicable in the period of Audit]**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **[Not Applicable in the period of Audit]**

(vi) Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and other relevant guidelines and circulars issued by the Reserve Bank of India from time to time.

I have relied on the representation made by the Company, its officers for systems and mechanism formed by the Company for compliances under other applicable Act, Laws and Regulations as applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (LODR) Regulations, 2015 entered into by the Company with the Stock Exchanges.

I 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 as on 31<sup>st</sup> March, 2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- On the basis of the Minutes of the Board Meeting, it is apparent that all the decisions are carried through unanimous consensus and there were no dissenting members views.
- Based on review of compliances mechanism established by the Company and on the basis of certificates issued by officers of the Company, we are of the opinion that the management has adequate systems and processes commensurate with its sizes and operations, to monitor and ensure compliance with applicable laws, rules and regulations and guidelines.
- The compliance by the Company of applicable financial laws, like direct and indirect tax laws and financial accounts, has not been reviewed in this Audit since the same has been subject to review by statutory financial audit and designated professionals.

e) *The Company has not complied with the regulation 6 of SEBI (LODR) Regulation, 2015 for appointment of Qualified Company Secretary as Compliance Officer (Resignation by last Company Secretary on 30.05.2018).*

**For and on behalf of  
M/s Babita & Associates  
(Company Secretary)**

**Date: 22<sup>nd</sup> August, 2019**

**Place: New Delhi**

**Babita  
(Company Secretary)  
M. No. A36417  
C.P. No.-17102**

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

**Annexure-A**

To,  
The Members,  
**Sital Leasing And Finance Limited**  
(L65910HR1983PLC050169)  
Office No. 322, 3rd Floor, Plaza Commercial Comple,  
Mayfield Garden, Sector-47,  
Gurgaon, Haryana-122001 IN

**Subject: My Report of even date is to be read along with this letter.**

- 1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.**
- 2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial records. The verification was done on to ensure that correct facts are reflected in secretarial records. I believe that the process and practice, I followed provide a reasonable basis for my opinion.**
- 3. I have not verified the correctness and appropriateness of financial records and books of account of the Company.**
- 4. Where ever required, I have obtained the Management Representation about the compliance of Laws, rules, regulations and happening of events etc**
- 5. The compliance of provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.**
- 6. The Secretarial Audit Report is neither an assurance as to future validity of the company nor of the efficiency or effectiveness with which management has conducted the affaires of the Company.**

**For and on behalf of  
M/s Babita& Associates  
(Company Secretary)**

**Date:22<sup>nd</sup> August, 2019**

**Place: New Delhi**

**Babita  
(Company Secretary)  
M. No. A36417  
C.P. No.-17102**

## Indicative List of Balance Sheet Disclosure for Non-Deposit Taking NBFCs with Asset Size Rs. 500 Crore and Above and Deposit Taking NBFCs (hereinafter called as Applicable NBFCs)

### 1. Minimum Disclosures

At a minimum, the items listed in this Annex should be disclosed in the NTA by all applicable NBFCs. The disclosures listed are intended only to supplement, and not to replace, other disclosure requirements as applicable.

### 2. Summary of Significant Accounting Policies

NBFCs should disclose the accounting policies regarding key areas of operations at one place along with NTA in their financial statements. A suggestive list includes - Basis of Accounting, Transactions involving Foreign Exchange, Investments - Classification, Valuation, etc, Advances and Provisions thereon, Fixed Assets and Depreciation, Revenue Recognition, Employee Benefits, Provision for Taxation, Net Profit, etc.

### 3.1 Capital

(Amount in Rs. crore)			
Particulars		Current Year	Previous Year
i)	CRAR (%)	13.50	100.76
ii)	CRAR - Tier I Capital (%)	13.49	100.70
iii)	CRAR - Tier II Capital (%)	0.01	0.06
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

### 3.2 Investments

(Amount in Rs. crore)			
Particulars		Current Year	Previous Year
(1)	Value of Investments	950	950
i)	Gross Value of Investments		
	(a) In India	950	950
	(b) Outside India	-	-
ii)	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
iii)	Net value of Investments		
	(a) In India	-	-
	(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening Balance	-	-

	(ii)	Add: Provisions made during the year	-	-
	(iii)	Less: Write-off/write-back of excess provisions during the year	-	-
	(iv)	Closing balance	-	-

### 3.3 Derivatives

#### 3.3.1 Forward Rate Agreement / Interest Rate Swap

(Amount in Rs crore)			
Particulars		Current Year	Previous Year
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps \$	-	-
(v)	The fair value of the swap book @	-	-

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.

#### 3.3.2 Exchange Traded Interest Rate (IR) Derivatives

(Amount in Rs. crore)			
S. No.	Particulars		Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)		
	a)	-	-
	b)	-	-
	c)	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March ..... (instrument-wise)		
	a)	-	
	b)	-	
	c)	-	
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

	a)	--
	b)	-
	c)	--
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	a)	-
	b)	-
	c)	-

### 3.3.3 Disclosures on Risk Exposure in Derivatives

#### *Qualitative Disclosure*

NBFCs shall describe their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

- The structure and organization for management of risk in derivatives trading,
- The scope and nature of risk measurement, risk reporting and risk monitoring systems,
- Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
- Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

#### *Quantitative Disclosures*

(Amount in Rs. Crore)				
Sl. No.	Particular	Currency Derivatives	Interest Derivatives	Rate
(i)	Derivatives (Notional Principal Amount)			
	For hedging	-		
(ii)	Marked to Market Positions [1]			
	a) Asset (+)	-	-	
	b) Liability (-)	-	-	
(iii)	Credit Exposure [2]			
(iv)	Unhedged Exposures			

### 3.4 Disclosures relating to Securitization

- 3.4.1** The NTA of the originating NBFCs should indicate the outstanding amount of securitized assets as per books of the SPVs sponsored by the NBFC and total amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR). These figures should be based on the information duly certified by the SPV's auditors obtained by the originating NBFC from the SPV. These disclosures should be made in the format given below.

S. No.	Particulars	No. / Amount in Rs. Crore
1.	No of SPVs sponsored by the NBFC for securitisation	-

	transactions*	
2.	Total amount of securitised assets as per books of the SPVs sponsored	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-
	a) Off-balance sheet exposures	-
	First loss	--
	Others	-
	b) On-balance sheet exposures	-
	First loss	-
	Others	-
4.	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	-
	i) Exposure to own securitizations	-
	First loss	-
	Loss	-
	ii) Exposure to third party securitisations	-
	First loss	-
	Others	-
	b) On-balance sheet exposures	-
	i) Exposure to own securitisations	-
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	-
	First loss	-
	Others	-
*Only the SPVs relating to outstanding securitisation transactions may be reported here		

### 3.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Amount in Rs. Crore)			
Particulars		Current year	Previous Year
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

### 3.4.3 Details of Assignment transactions undertaken by NBFCs

(Amount in Rs. Crore)			
Particulars		Current year	Previous Year

(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

### 3.4.4 Details of non-performing financial assets purchased / sold

NBFCs which purchase non-performing financial assets from other NBFCs shall be required to make the following disclosures in the NTA to their Balance sheets: -NIL

#### A. Details of non-performing financial assets purchased:

(Amount in Rs. Crore)				
Particulars			Current year	Previous Year
(1)	(a)	No. of accounts purchased during the year	-	-
	(b)	Aggregate outstanding	-	-
(2)	(a)	Of these, number of accounts restructured during the year	-	-
	(b)	Aggregate outstanding	-	-

#### B. Details of Non-performing Financial Assets sold:

(Amount in Rs. Crore)				
Particulars			Current year	Previous Year
(1)		No. of accounts sold	-	-
(2)		Aggregate outstanding	-	-
(3)		Aggregate consideration received	-	-

### 3.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (amount in Cr.)

	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	20.13	-	20.13
Investments	-	-	-	-	-	-	-	950	950
Borrowings	-	-	-	-	-	0.37	-	-	0.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-



### 3.6 Exposures

#### 3.6.1 Exposure to Real Estate Sector

(Amount in Rs. Crore)			
Category		Current Year	Previous Year
a)	Direct Exposure		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii)	Commercial Real Estate –		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	-	-
	a. Residential	-	-
	b. Commercial Real Estate	0.07	2.57
Total Exposure to Real Estate Sector		0.07	2.57

#### 3.6.2 Exposure to Capital Market

(Amount in Rs. Crore)			
Particulars		Current Year	Previous Year
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security	-	-

	other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;		
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	
<b>Total Exposure to Capital Market</b>			

### 3.6.3 Details of financing of parent company products - **NIL**

**3.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC** The NBFC should make appropriate disclosure in the NTA to the annual financial statements in respect of the exposures where the NBFC had exceeded the prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is high, shall be reckoned for exposure limit. -**NIL**

### 3.6.5 Unsecured Advances

- a) For determining the amount of unsecured advances the rights, licenses, authorizations, etc., charged to the NBFCs as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured. – **All loans are unsecured.**
- b) NBFCs should also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral. The disclosure may be made under a separate head in NTA. This would differentiate such loans from other entirely unsecured loans. - **NIL**

## 4. Miscellaneous

### 4.1 Registration obtained from other financial sector regulators:

- A. **MSEI Registration No.:** SITAL / ISIN: INE341O01029
- B. **RBI Registration No.:** B-14.002131 dated 21/12/2001

### 4.2 Disclosure of Penalties imposed by RBI and other regulators

Consistent with the international best practices in disclosure of penalties imposed by the regulators, placing the details of the levy of penalty on the NBFC in public domain will be in the interests of the investors and depositors. Further, strictures or directions on the basis of inspection reports or other adverse findings should also be placed in the public domain. The penalties should also be disclosed in the NTA. – **None**

#### **4.3 Related Party Transactions**

- a) There are no related party transactions under the provisions of section 188 of the Companies Act, 2013.

#### **4.4 Ratings assigned by credit rating agencies and migration of ratings during the year- Duly Disclosed in the Annual Report.**

#### **4.5 Remuneration of Directors**

All pecuniary relationship or transactions of the non-executive director's vis-à-vis the company shall be disclosed in the Annual Report- Disclosed in the Annual Report.

#### **4.6 Management**

As part of the directors' report or as an addition thereto, a Management Discussion and Analysis report should form part of the Annual Report to the shareholders. This Management Discussion & Analysis should include discussion on the following matters within the limits set by the company's competitive position:

- a) Industry structure and developments.
- b) Opportunities and Threats.
- c) Segment-wise or product-wise performance.
- d) Outlook
- e) Risks and concerns.
- f) Internal control systems and their adequacy.
- g) Discussion on financial performance with respect to operational performance.
- h) Material developments in Human Resources / Industrial Relations front, including number of people employed.

#### **4.7 Net Profit or Loss for the period, prior period items and changes in accounting policies**

Since the format of the profit and loss account of NBFCs does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the NTA.

#### **4.8 Revenue Recognition**

An enterprise should also disclose the circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

#### **4.9 Accounting Standard 21 -Consolidated Financial Statements (CFS)**

NBFCs may be guided by general clarifications issued by ICAI from time to time. A parent company, presenting the CFS, should consolidate the financial statements of all subsidiaries - domestic as well as foreign. The reasons for not consolidating a subsidiary should be disclosed in the CFS. The responsibility of determining whether a particular entity should be included or not for consolidation would be that of the Management of the parent entity. In case, its Statutory Auditors are of the opinion that an entity, which ought to have been consolidated, has been omitted, they should incorporate their comments in this regard in the "Auditors Report".

### **5. Additional Disclosures**

#### **5.1 Provisions and Contingencies**

To facilitate easy reading of the financial statements and to make the information on all Provisions and Contingencies available at one place, NBFCs are required to disclose in the NTA the following information:

(Amount in Rs. Crore)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	0.06	0.06
Provision made towards Income tax	0.73	0.64
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	0.08	0.06

**5.2 Draw Down from Reserves** Suitable disclosures are to be made regarding any draw down of reserves in the NTA.

### 5.3 Concentration of Deposits, Advances, Exposures and NPAs

#### 5.3.1 Concentration of Deposits (for deposit taking NBFCs)

(Amount in Rs. crore)	
Total Deposits of twenty largest depositors	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA

#### 5.3.2 Concentration of Advances

(Amount in Rs. crore)	
Total Advances (loan) to twenty largest borrowers	20.14
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	

#### 5.3.3 Concentration of Exposures

(Amount in Rs. crore)	
Total Exposure to twenty largest borrowers / customers	20.14
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	

#### 5.3.4 Concentration of NPAs

(Amount in Rs. Crore)

Total Exposure to top four NPA accounts 0.06

#### 5.3.5 Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1.	Agriculture & allied activities	NA
2.	MSME	NA
3.	Corporate borrowers	0.31
4.	Services	NA
2.	Unsecured personal loans	NA

3.	Auto loans	NA
4.	Other personal loans	NA

#### 5.4 Movement of NPAs

(Amount in Rs. crore)			
Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)	0.06	0.06
(ii)	Movement of NPAs (Gross)	-	-
	(a) Opening balance	0.06	0.06
	(b) Additions during the year	-	-
	(c) Reductions during the year-	-	-
	(d) Closing balance	0.06	0.06
(iii)	Movement of Net NPAs		
	(a) Opening balance	-	-
	(b) Additions during the year	-	-
	(c) Reductions during the year	-	-
	(d) Closing balance	-	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	-	-
	(b) Provisions made during the year	-	-
	(c) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	-	-

#### 5.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
NONE			

#### 5.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NONE	

### 6. Disclosure of Complaints

#### 6.1 Customer Complaints

(a)	No. of complaints pending at the beginning of the year	
-----	--	--

(b)	No. of complaints received during the year	<b>NONE</b>
(c)	No. of complaints redressed during the year	
(d)	No. of complaints pending at the end of the year	

# SITAL LEASING AND FINANCE LIMITED

**Regd. Office:** 322, 3<sup>rd</sup> Floor, S.S Plaza Commercial Complex, Mayfield Garden,  
Sector-47, Gurugram, Haryana- 122001

**Corp. Office:** 16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005

**CIN:** L65910HR1983PLC050169; **Ph. No.:** 91-9891709895

**E-mail Id:** sitalleasing83@gmail.com, sitalleasing@gmail.com

**Website:** www.sitalleasingfinance.com

## Form No. 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:** L65910HR1983PLC050169

**Name of the company:** SITAL LEASING AND FINANCE LIMITED

**Registered office:** Office No. 322, 3<sup>rd</sup> Floor, S.S Plaza Commercial Complex, Mayfield Garden,  
Sector-47, Gurugram , Haryana- 122001

Name of Member(s) :

Registered address :

E-mail Id :

Folio No/ Client Id:

DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name :	Address :
E-mail Id :	Signature :

or failing him

2. Name :	Address :
E-mail Id :	Signature :

or failing him

3. Name :	Address :
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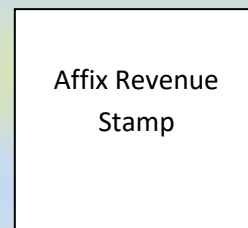
E-mail Id :	Signature :
-------------	-------------

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Sixth Annual General Meeting of the company, to be held on Saturday, 28th Day of September, 2019 at 11:00 A.M. at Empiru Entertainment, 389P, Sector 29, Gurgaon, Haryana-122022 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. NO.	RESOLUTIONS
<b>Ordinary Business</b>	
<b>1</b>	Ordinary Resolution for approval and adoption of Audited Financial Statements as at 31st March, 2019 and Statement of Profit and Loss for the year ended on that date, together with the Director's Report and Auditor's Report.
<b>2</b>	Ordinary Resolution that Mrs. Priti Jain (DIN: 00537234), a Director who retires by rotation and being eligible offers herself for re- appointment.
<b>3</b>	Ordinary Resolution for the appointment of M/s MAK & Company, Chartered Accountants (FRN-028454N) to hold office form the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting (AGM) of the company to be held in the F.Y 2023-24, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company

S. NO.	RESOLUTIONS
<b>Special Business</b>	
<b>4</b>	Special Resolution for re-appointment of Mr. Sujan Mal Mehta as Independent Director.
<b>5</b>	Special Resolution for re-appointment of Mr. Anil Prakash as Independent Director.
<b>6</b>	Special Resolution for appointment of Mr. Surendra Kumar Jain as Managing Director.

Signed this ..... day of..... 20.....



Signature of shareholder

Signature of Proxy holder(s)

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



# SITAL LEASING AND FINANCE LIMITED

**Regd. Office:** 322, 3<sup>rd</sup> Floor, S.S Plaza Commercial Complex, Mayfield Garden,  
Sector-47, Gurugram, Haryana- 122001

**Corp. Office:** 16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005

**CIN:** L65910HR1983PLC050169; **Ph. No.:** 91-9891709895

**E-mail Id:** sitalleasing83@gmail.com, sitalleasing@gmail.com

**Website:** www.sitalleasingfinance.com

## ATTENDENCE SLIP

Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the meeting.

<b>Name and Address of the Member</b>	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my Presence at the Thirty Sixth Annual General Meeting of the Company will be held on Saturday, 28th Day of September, 2019 at 11:00 A.M. at Empiru Entertainment, 389P, Sector 29, Gurgaon, Haryana-122022 and at any adjournment thereof.

<b>Signature of the Shareholder</b>	<b>Signature of the Proxy</b>

- Note:**
1. The copy of Annual Report may please be brought to the Meeting Hall.
  2. Briefcase, Hand Bags etc. are not allowed inside the Meeting Hall.
  3. Please note that no gifts will be distributed at the meeting.

**If undelivered, please return to:**

**SITAL LEASING AND FINANCE LIMITED**

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Commercial Complex, Mayfield Garden,  
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Karol Bagh, New Delhi-110005**

**Ph: 011-47476071**