



ANNUAL REPORT 2015-2016

# SITAL

LEASING AND FINANCE LIMITED

(AN ISO 9001 : 2008 CERTIFIED COMPANY)



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# **SITAL LEASING AND FINANCE LIMITED**

## **CORPORATE INFORMATION**

<b>CIN</b>	:	<b>L65910HR1983PLC050169</b>	
<b>BOARD OF DIRECTORS</b>	:	<b>Surender Kumar Jain</b>	<b>Managing Director</b>
	:	<b>Priti Jain</b>	<b>Director</b>
	:	<b>Sujan Mal Mehta</b>	<b>Director</b>
	:	<b>Anil Prakash</b>	<b>Director</b>
<b>COMPANY SECRETARY</b>	:	<b>Rajender Kumar</b>	
<b>CHIEF FINANCIAL OFFICER</b>	:	<b>CA Deepak Kumar</b>	
<b>STATUTORY AUDITORS</b>	:	<b>Anil Kumar</b> <b>Chartered Accountant</b> <b>BA-52/B, Janakpuri, New Delhi-110058</b>	
<b>REGISTRAR AND TRANSFER AGENT</b>	:	<b>Bigshare Services Pvt. Ltd.</b> <b>4E/8, First Floor, Jhandewalan</b> <b>Extension, New Delhi-110055</b>	
<b>BANKERS</b>	:	<b>Dena Bank, Nehru Place, New Delhi</b> <b>HDFC Bank, Old Rajinder Nagar, New Delhi</b> <b>IDBI Bank, Punjabi Bagh, New Delhi</b>	
<b>REGISTERED OFFICE</b>	:	<b>Office No. 322, 3rd Floor,</b> <b>S.S. Plaza Commercial Complex</b> <b>Mayfield Garden, Sector-47</b> <b>Gurgaon, Haryana- 122001</b>	
<b>CORPORATE OFFICE</b>	:	<b>16/121-122, Jain Bhawan, Faiz Road,</b> <b>Karol Bagh, New Delhi-110005</b>	
<b>EMAIL</b>	:	<b>sitalleasing83@gmail.com</b> <b>Sital1983@sitalleasingfinance.com</b>	
<b>INVESTORS HELPDESK &amp; EMAIL</b>	:	<b>Rajender Kumar</b> <b>sitalleasing83@gmail.com</b>	
<b>WEBSITE</b>	:	<b>www.sitalleasingfinance.com</b>	
<b>CONTACT NO.</b>	:	<b>91-9891709895</b> <b>0124-6990071</b>	

# SITAL LEASING AND FINANCE LIMITED

Regd. Office: Office No. 322, 3rd Floor, S. S Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001

CIN: L65910HR1983PLC050169

Ph. No.: 91-9891709895, 0124-6990071

E-mail Id: [sitalleasing83@gmail.com](mailto:sitalleasing83@gmail.com), [sital1983@sitalleasingfinance.com](mailto:sital1983@sitalleasingfinance.com)

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

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## NOTICE

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Company will be held on Thursday, 29<sup>th</sup> Day of September, 2016 at 11:00 A.M. at 2693, Near Hongkok Bazar, Sector-57, HUDA, Gurgaon- 122002 to transact the following businesses:

### **Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit and Loss for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Priti Jain (DIN: 00537234), a Non- Executive/ Non Independent Director who retires by rotation and being eligible offers herself for re- appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions to Section 139 to 142 of the Companies Act, 2013 and other applicable provisions if any of the act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil Kumar, Chartered Accountant, New Delhi, having Membership No. 86223, be and is hereby re-appointed as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

## **Special Business:**

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that in partial modification of Resolution No. 8 passed at the Annual General Meeting of the Company held on 12<sup>th</sup> September, 2015 for the revision in the terms of remuneration of Mr. Surender Kumar Jain, Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members of Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Surender Kumar Jain as the Managing Director of the Company, by way of change in the maximum amount of remuneration to Mr. Surender Kumar Jain (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to fix his salary within such maximum amount, proportionately, all benefits related to the quantum of salary, with effect from 1st July, 2016 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By Order of the Board of Directors  
For Sital Leasing and Finance Limited**

**Place: Gurgaon  
Date: 02.09.2016**

**Rajender Kumar  
Company Secretary  
M. No.: A39836**

# **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) 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.
- (iii) 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.
- (iv) 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, 2016 to 29<sup>th</sup> September, 2016** (both days inclusive).
- (v) 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.
- (vi) 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. , 4E/8, First Floor, Jhandewalan Extension, New Delhi-110055. 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.
- (vii) 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.

- (viii) Electronic copy of the Annual Report for financial year 2015-16 along with the Notice of the 33<sup>rd</sup> 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 Participants(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 2015-16 along with Notice of the 33<sup>rd</sup> 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.
- (ix) Members may also note that the Notice of the 33<sup>rd</sup> Annual General Meeting and the Annual Report for the financial year 2015-16 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.
- (x) 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)
- (xi) 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.
- (xii) All documents referred to in the accompanying Notice and the explanatory statement, are open for inspection at the corporate office of the Company during normal business hours on all working day.
- (xiii) 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 SEBI (Listing Obligations and 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 33<sup>rd</sup> 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 33<sup>rd</sup> 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 [www.evoting.nsdl.com](http://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.

### **The procedure to login to e-Voting website is given below:**

1. Open the attached PDF file “e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote “e-Voting” opens. Click on **e-Voting: Active Voting Cycles**.
7. Select **EVEN (E-Voting Event Number)** of Sital Leasing and Finance Limited. Members can cast their vote online from **26<sup>th</sup> September, 2016 (9:00 am) till 28<sup>th</sup> September, 2016 (5:00 pm)**.
8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail ([tripathistatik@gmail.com](mailto:tripathistatik@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



## **General Instructions:**

1. **The e-voting period commences on 26<sup>th</sup> September, 2016 (9:00 am) till 28<sup>th</sup> September, 2016 (5:00 pm).** During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **22<sup>nd</sup> September, 2016** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
3. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
4. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
5. 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 i.e. **Thursday, 22<sup>nd</sup> September, 2016**.
6. M/s Astik Tripathi & Associates, Company Secretaries (COP No. 10384) has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
8. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com) and on the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) on or before **Saturday, 1<sup>st</sup> October, 2016**.

## **Other Information:**

- Login to 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 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; [www.icicidirect.com](http://www.icicidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icicidirect.com](http://www.icicidirect.com). Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.

In case of any queries, you may refer to the “Frequently Asked Questions (FAQs) for members” and “e-voting user manual for members” available at the Downloads sections at <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

**MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF  
THE COMPANIES ACT, 2013 (“THE ACT”)**

**RESOLUTION NO. 4**

At the AGM held on 12<sup>th</sup> September 2015, the Members of the Company had approved of the terms of remuneration of Mr. Surender Kumar Jain, Managing Director of the Company, including inter alia salary upto a maximum of Rs. 2,00,000/- per month, with authority to the Board to fix his salary within the above mentioned scale. It is proposed to revise the maximum basic salary payable to Mr. Surender Kumar Jain of Rs. 1,00,000/- per month with effect from 1<sup>st</sup> July, 2016 for the remainder of his term upto 28<sup>th</sup> February, 2019 with proportionate in the benefits related to his salary, subject to the approval of the Members of the Company. The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V to the Act, as amended and as in force from time to time. All other terms and conditions of appointment of Mr. Surender Kumar Jain as Managing Director of the Company, as through postal ballot on 1<sup>st</sup> March, 2014 remain unchanged. In compliance with the provisions of Sections 196 and 197 read with Schedule V to the Act, the revised terms of remuneration of Mr. Surender Kumar Jain are now being placed before the Members for their approval. Other than Mr. Surender Kumar Jain, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice. The Board commends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

**By Order of the Board of Directors  
For Sital Leasing and Finance Limited**

**Place: Gurgaon  
Date: 02.09.2016**

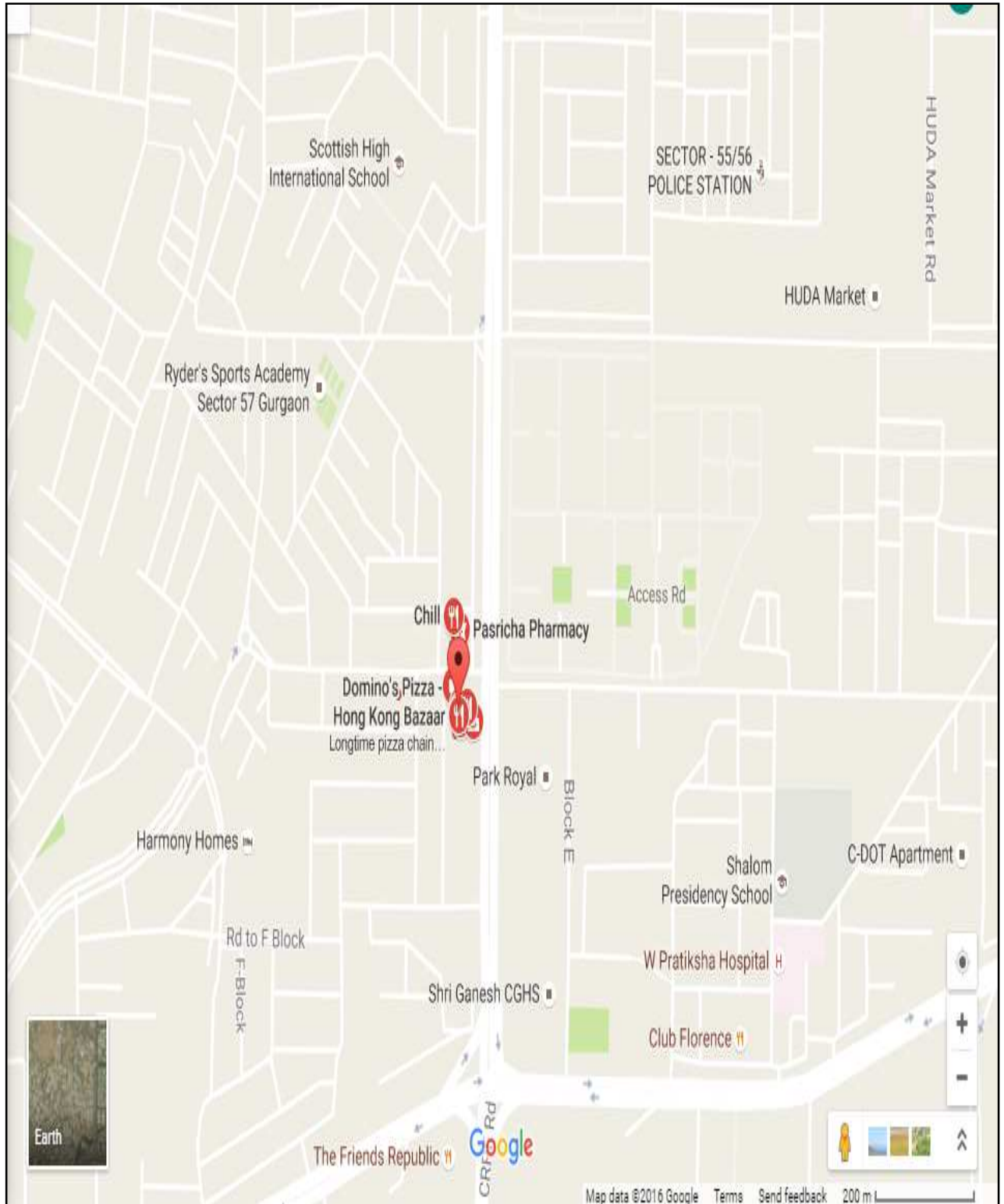
**Rajender Kumar  
Company Secretary  
M. No.: A39836**

## **DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

[In Pursuance of Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Particulars	Date of Appointment	Qualifications	Expertise in specific Functional areas	Director of other Companies (excluding foreign Companies)
Mrs. Priti Jain	16/09/2008	Post Graduate	Finance Sector	<ol style="list-style-type: none"> <li>1. Sri Amarnath Finance Limited</li> <li>2. Euro Asia Laboratories Limited</li> <li>3. Great Bear Aviation Pvt Ltd</li> <li>4. Transnational Growth Fund Ltd</li> <li>5. RKG Finvest Limited</li> <li>6. Sunshine Capital Limited</li> </ol>

**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 Limited**

The Directors have pleasure in presenting before you the 33<sup>rd</sup> Annual Report on the business and operations of the Company alongwith the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2016.

## **FINANCIAL HIGHLIGHTS:**

Financial Result of the Company for the year under review alongwith the figures for previous year are as follows:

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Total Income	2,40,07,41,679	1,41,77,33,710
Profit before Tax	1,07,11,819	88,03,680
Current Tax	39,28,413	28,91,727
MAT Credit Entitlement	-	-
Earlier Year tax	-	-
Deferred Tax	(2,02,135)	(2,83,163)
Net Profit after Tax	69,85,541	61,95,116
Total Assets	9,70,15,49,406	9,68,23,49,852
Total Liabilities	9,70,15,49,406	9,68,23,49,852

## **OPERATIONAL PERFORMANCE:**

During the financial year 2015-16, the Company has recorded revenue of ₹ 2,40,07,41,679/-. The Company has earned net profit of ₹ 69,85,541/- during the year as compared to profit ₹ 61,95,116/- in the last year. The Directors are optimistic about future performance of the Company.

## **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary company.

## **DIVIDEND:**

As the company kept the profits for investment in better projects it regret not to recommend any dividend. But the directors are hopeful better result in ensuring future.

## **DEPOSITS:**

During the year, the Company has not invited/accepted any deposits under Companies Act, 2013.

## **TRANSFER TO STATUTORY RESERVES**

During the year under review Company has transferred ₹ 14,26,728/- to the Statutory Reserves Fund from the profits of the Company in accordance with the provision of Section 451C of the Reserve Bank of India.

## **INTERNAL 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.

## **SHARE CAPITAL:**

The paid up share capital as on 31st March, 2016 was ₹ 61,25,73,750 /-. The company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or directors of the company, under any scheme.

However, during the financial Year, the Board of Directors of the Company in their meeting held on 10<sup>th</sup> August, 2015 approved the Sub – division of Equity Shares of the Company having face value of ₹ 10/- each into face value of ₹ 1 /- each and same has also been approved by the Shareholders in the 32<sup>nd</sup> Annual General Meeting of Company held on 12<sup>th</sup> September, 2015.

Accordingly, the authorized capital of the company is ₹ 65,00,00,000 divided into 65,00,00,000 equity shares of ₹ 1/- each and the issued, subscribed and paid up capital of the company is ₹ 61,25,73,750 divided into 61,25,73,750 equity shares of ₹ 1/- each.

No disclosure is required under section 67(3) of the act, in respect of voting rights not exercised directly by the employees of the company as the provisions of the said section are not applicable.

## **CORPORATE OFFICE**

The company's corporate office is at 16/121-122, Jain Bhawan, Faiz Road, Karol Bagh, New Delhi-110005 w.e.f. 18<sup>th</sup> July, 2015.



## **CHANGE IN ISIN OF SHARES DUE TO SUB-DIVISION OF EQUITY SHARES**

The sub- division of equity shares of the company comprised the change in the company's ISIN of equity Shares from "INE341O01011" to "INE341O01029".

## **BOARD OF DIRECTORS:**

### **A. Directors retiring by rotation:**

Mrs. Priti Jain, 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 their re-appointment.

### **B. Declaration by independent directors:**

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

The Independent Directors have submitted their disclosure to the board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 27 (2) of the 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 and Risk Management Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **KEY MANAGERIAL PERSONNEL:**

No Appointment or cessation took place in the financial year 2015-2016. The Following employees were designated as whole time key managerial personnel during the year under review:

- (i) Mr. Surender Kumar Jain, Managing Director
- (ii) Mr. Rajender Kumar, Company Secretary

## **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, 2016 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.

## **BOARD OF DIRECTOR'S MEETINGS:**

The Board of Directors duly met **11** (eleven) times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. The dates on which meetings were held are as follows:

**2<sup>nd</sup> May 2015, 29<sup>th</sup> May 2015, 30<sup>th</sup> May 2015, 18<sup>th</sup> July 2015, 10<sup>th</sup> August 2015, 12<sup>th</sup> August 2015, 24<sup>th</sup> September 2015, 3<sup>rd</sup> November 2015, 19<sup>th</sup> December 2015, 30<sup>th</sup> January 2016 and 20<sup>th</sup> February 2016.**

## **AUDITORS:**

### **A. Secretarial auditor:**

The Company has appointed Ms. Shazan Ali Partner of M/s SAS & Associates having C.P. No. 9354 to hold the office of the Secretarial Auditors and to conduct the Secretarial Audit and the Secretarial Audit Report is annexed herewith marked as **Annexure I** to this report in Form No MR-3.

There is a qualification in the report that company did not appoint Chief Financial Officer.

The Management, Clarified that, it is in the search of suitable candidate for the post of Chief Financial Officer.

### **B. Statutory Auditor:**

Mr. Anil Kumar, Chartered Accountant, had re- appointed 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 till the conclusion of next Annual General Meeting, on such remuneration to be decided 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 re- 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.

## **Auditors' Report:**

The Auditors have given an audit report on financial of 2015-16 and annexed herewith marked as **Annexure III** to the annual report.

## **Auditors' Observations:**

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

## **C. Internal Auditor:**

The Company has appointed Ms. Vaishali Jain as an Internal Auditor of the Company for the financial year 2015-16. Ms. Vaishali Jain placed the internal audit report to the Company which is self explanatory and need no comments.

## **EXTRACT OF THE ANNUAL RETURN:**

The Extract of the Annual Return for the financial year 2015-16 forms part of annual report in Form No MGT-9 marked as **Annexure II**.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investment covered under the provisions of section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

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

The particulars of contracts or arrangements with related parties for the financial year 2015-16 in prescribed Form No AOC -2 is annexed herewith to this report.

## **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 behavior, 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)

## **MATERIAL CHANGES AND COMMITMENTS**

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.

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the company.

## **LISTING OF SHARES**

The shares of the Company are listed on Metropolitan Stock Exchange of India Limited (MSEI) and Delhi Stock Exchange Limited (DSE) but as per SEBI circular no. WTM/PS/45/MRD/DSA/NOV/2014 dated 19<sup>th</sup> November 2014; DSE has been derecognized as Stock Exchange.

## **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.

## **DEMATERIALIZATION OF SHARES:**

The Company has connectivity with NSDL & CDSL for dematerialization of its equity shares. The ISIN No INE341001029 has been allotted for the Company. Therefore, the investors may keep their shareholding in the electronic mode with their Depository Participates. 84.33% of the Company's Paid-up Share Capital is in dematerialized form as on 31st March, 2016 and balance 15.67% is in physical form.

## **CORPORATE GOVERNANCE:**

As per Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance together with the Auditors' Certificate regarding the compliance of conditions of Corporate Governance forms part of the Annual Report

## **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.

## **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.

## **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 2015-16.

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

## **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 provided elsewhere in this Annual Report in Management Discussion and Analysis.

## **PARTICULARS OF EMPLOYEES:**

None of the employee was drawing in excess of the limits prescribed by the Companies Act, 2013 and rules made there under which needs to be disclosed in the directors report.

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

The Company does not fall under any of the industries covered by the Companies (Accounts) Rules, 2014. Hence, the requirements of disclosure in relation to the conservation of energy, technology absorption, foreign exchange earnings & outgo are not applicable to it.

	Particulars	Current Year 2015-16	Previous Year 2014- 2015
A.	Conservation of Energy	Nil	Nil
B.	Technology Absorption	Nil	Nil
C.	Foreign Exchange Earnings & Outgo	Nil	Nil

## **RBI GUIDELINES:**

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

### **NBFC REGISTRATION:**

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

### **CREDIT RATING:**

The Directors of the Company are also happy to report that the Company get its membership Certificate from all four CICs i.e. 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. A sound rating/upgrade in a challenged business environment speaks volumes about the Company's performance and its systems & processes.

### **EXPOSURE TO REAL ESTATE:**

The Company exposure is real estate is NIL.

### **CAPITAL FUND TO RISK WEIGHTED ASSETS:**

Percentage to capital funds to risk weighted assets/exposures:

Particulars	(in %)
Tier-I Capital	72.91
Tier-II Capital	0.01
Total	72.92

### **NON-BANKING FINANCIAL COMPANIES AUDITORS REPORT (RBI) DIRECTIONS, 1998:**

Pursuant to the Non-Banking Financial Companies' Auditor's Report (Reserves Bank) directions, 1998, a report from the Statutory Auditors to the board of directors' has been received by your company. This report has certified that the company has complied with all the directions and prudential norms as prescribed under the RBI act, 1934.

### **CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to section 135 of the Companies Act, 2013 along with the Rules thereunder 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.

A committee of the directors, titled 'Corporate Social Responsibility Committee', has been formed by the Board in its meeting held on 5<sup>th</sup> January, 2015.

The corporate social responsibility policy of the company is displayed on website of the company [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

S. N.	CSR Project or Activity Identified	Sector in which the project is covered	Project or Programme (1) Local Area or Other (2) Specify the State and district where projects or programmes was undertaken	Amount Outlay (Budget) Project or Program wise (In ₹)	Amount spent on the project or programme Sub Heads: (1) Direct Expenditure on projects or programmes. (2) Overheads (In ₹)		Cumulative Expenditure upto reporting period (In ₹)	Direct or through implementing agency
					Year	Amount		
1.	company has identified in rural areas to promote the child education, training and skill enhancement under Item No. (ii) of Schedule VII	Education sector	Ladnun, District Nagaur, State Rajasthan	10 Lacs	31.03.2014	20,504/-	2,31,001/-	Through Adarsh Shiksha Sansthan, Didwana, Rajasthan
					31.03.2015	76,798/-		
					31.03.2016	1,33,699/-		

### **CAUTIONARY STATEMENT**

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include changes in Government Regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

### **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  
For Sital Leasing And Finance Limited**

Place: Gurgaon  
Date: 26.05.2016

Surender Kumar Jain  
Chairman & Managing Director  
DIN: 00530035



# **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**

<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/arrangements/transactions</b>	<b>Duration of the contracts / arrangements/transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value</b>	<b>Date(s) of approval by the Board</b>	<b>Amount paid as advances, if any</b>
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.

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT



## **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.

## **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.

## **FINANCIAL PERFORMANCE:**

The Company has achieved a turnover of ₹ 2,40,07,41,679/- during the year with net profitability of ₹ 69,85,541/-. The company's income from operations primarily includes income from trading and distributions of financial products such as Interest income from Inter-Corporate Loan and Long Term Investments.

## **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.
- Unfavorable 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.

## **FUTURE OUTLOOK:**

The future outlook of the Company is very prospective and it urges to diversify the various areas related to financial markets. Besides continuing aggressively in the existing growth areas, there are certain specific initiatives that we would like to highlight which the company would be undertaking in the financial year 2015-16. The Company is effectively putting together a growth strategy in the area of Debt Syndication, Private Placement, Corporate/Personal Loan, Advisory Services, Arranger and Distributions of Mutual Fund & Liaison for Financial Products.

## **RISK MANAGEMENT:**

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.

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

The Company has established internal control systems which is adequate commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. A report on internal control system is obtained from Ms. Vaishali Jain, Internal Auditor of the Company.

## **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.

## **SOCIAL RESPONSIBILITY:**

Sital Leasing and Finance Ltd being a socially responsible corporation continues to contribute towards the economic, social and environmental well being of the society at large. The Company has integrated the Corporate Social Responsibility objectives with business objectives by way of conducting the business activities in the most ethical, transparent and accountable manner. Corporate Social Responsibility has always been an integral part of the vision of the Sital Leasing & Finance Ltd and has been the foundation of the core value of good corporate citizenship.

## **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.

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

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

## **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, 2016, 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.

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

# **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 fulfill 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.

## **MEETINGS:**

### **A. Board of Directors Meetings:**

The Board of Directors duly met (11) eleven times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. The dates on which meetings were held are as follows:

**2<sup>nd</sup> May 2015, 29<sup>th</sup> May 2015, 30<sup>th</sup> May 2015, 18<sup>th</sup> July 2015, 10<sup>th</sup> August 2015, 12<sup>th</sup> August 2015, 24<sup>th</sup> September 2015, 3<sup>rd</sup> November 2015, 19<sup>th</sup> December 2015, 30<sup>th</sup> January 2016 and 20<sup>th</sup> February 2016.**

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. Surender Kumar Jain	Managing Director	Executive & Non Independent	11	11	Yes
Mrs. Priti Jain	Director	Non-Executive & Non Independent	11	11	Yes
Mr. Sujan Mal Mehta	Director	Non-Executive & Independent	11	11	Yes
Mr. Anil Prakash	Director	Non-Executive & Independent	11	11	Yes
Mrs. Rajni	Director	Non-Executive & Independent	11	11	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 surmised 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.
- Company has the policy for the familiarization programme for independent directors which is available on the company's website i.e. [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

## Independent Directors Meeting:

One Meeting of Independent Directors was held on 9<sup>th</sup> March, 2016 during the financial year ended March 31st, 2016.

The meeting shall:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of Chairperson 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

The familiarization programme for the independent directors is imparted to independent directors apart from this as per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 same policy have been placed on website.

### Performance evaluation of non-executive and independent directors:

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, Industry and administration. Their presence on the Board is advantageous and fruitful in taking business decision.

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

### Objectives of 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 Committee met **4 (Four)** times on **30<sup>th</sup> May, 2015, 12<sup>th</sup> August, 2015, 3<sup>rd</sup> November, 2015 & 30<sup>th</sup> January, 2016** during the financial year ended March 31, 2016.

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/ Chief Financial Officer are invited to the meeting as and when required.

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

Name Of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Rajni	Chairperson	4	4
Mr. Sujan Mal Mehta	Member	4	4
Mr. Anil Prakash	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 all three members including Chairman of the Committee are Independent Director. During the Year Two (2) 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 **2** times on **29<sup>th</sup> May, 2015 & 10<sup>th</sup> August, 2015** during the financial year ended March 31, 2016.

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

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

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

### C. Stakeholders Relationship Committee:

The Stakeholders' Relationship Committee comprises all three members including Chairman of the Committee are 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 2 times on 2<sup>nd</sup> May, 2015 and 3<sup>rd</sup> November, 2015 during the financial year ended March 31, 2016.

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

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

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

#### Compliance Officer:

NAME OF THE COMPLIANCE OFFICER	Mr. Rajender Kumar
CONTACT DETAILS	Office No. 322, 3rd Floor, S.S. Plaza Commercial Complex, Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001
E- MAIL ID	Sitalleasing83@gmail.com

### D. Risk Management Committee:

The Risk Management Committee comprises all three members including Chairman of the Committee are Independent Director. 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 **2** times on **12<sup>th</sup> August, 2015 and 20<sup>th</sup> February, 2016** during the financial year ended March 31, 2016.

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

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

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

### E. Asset Liability Management Committee:

The Asset Liability Management Committee of the Board was comprises of three members out of which two including Chairman of the Committee are Independent Director. During the Year Four (4) Asset Liability Management Committee Meetings were convened and held.

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

- To ensure proper funding and capital planning, management of market risks, profit planning, forecasting and analyzing interest rate movements etc.

### Meetings of the Committee:

The Committee met **4** (four) times on **1<sup>st</sup> May 2015, 8<sup>th</sup> August 2015, 2<sup>nd</sup> November 2015 and 19<sup>th</sup> February 2016** during the financial year ended March 31, 2016.

The Minutes of the Meetings of the Asset Liability Management Committee are discussed and taken note by the board of directors.

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

Name Of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mr. Anil Prakash	Chairperson	4	4
Mrs. Priti Jain	Member	4	4
Mrs. Rajni	Member	4	4

### F. Investment Committee:

The Investment Committee of the Board was comprises of three members out of which two including Chairman of the Committee are Independent Director. During the Year Four (4) 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 **4 (four) times on 1<sup>st</sup> May 2015, 8<sup>th</sup> August 2015, 2<sup>nd</sup> November 2015 and 19<sup>th</sup> February 2016** during the financial year ended March 31, 2016.

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

**Composition of Investment Committee and their attendance at the meeting**

Name Of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mr. Anil Prakash	Chairperson	4	4
Mrs. Priti Jain	Member	4	4
Mrs. Rajni	Member	4	4

**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 was comprises of three members out of which two including Chairman of the Committee are Independent Director.

The Board in its meeting held on 5th 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 **1 (one) time on 26<sup>th</sup> March, 2016** during the financial year ended March 31, 2016.

### Composition of Corporate Social Responsibility Committee

Name Of Members	Category / Designation	No. of Meetings	
		Held	Attended
Mrs. Rajni	Chairperson	1	1
Mrs. Priti Jain	Member	1	1
Mr. Anil Prakash	Member	1	1

## C. SHARE HOLDERS MEETING:

There is only one Share Holder Meeting (Annual General Meeting) held on 12<sup>th</sup> September, 2015.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Board has approved the Whistle Blower Policy, a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

During the year under review no personnel has been denied access to the audit committee.

The Company has adopted a formal Vigil Mechanism/ Whistle-blower policy. The approved policy is available on the Company's website [www.sitalleasingfinance.com](http://www.sitalleasingfinance.com)

### **STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

- Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterized feedback forms for evaluation of the Board, Independent Directors and Chairman.
- Independent Directors at a meeting without anyone from the non independent directors and management, considered/evaluated the Board's performance, performance of the Chairman and other non-independent Directors.
- The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director).

### **SUBSIDIARY COMPANY:**

The Company does not have any subsidiary company.

## **GENERAL BODY MEETING:**

Annual General Meeting held during the previous financial year

Year	Date	AGM/ EGM	Venue	Day	Time
2015	12.09.2015	AGM	Community Centre, Village Wazirabad, Sector-52, Behind Tata Service Centre, Gurgaon, Haryana- 122003.	Saturday	11.00 a.m.
2014	05.09.2014	AGM	Office No. 322, 3rd Floor, S. S Plaza Commercial Complex, Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001.	Friday	4.00 p.m.
2013	08.06.2013	AGM	555, Double Storey, New Rajinder Nagar, New Delhi-110060.	Saturday	12:00 p.m.

## **MANAGEMENT:**

### **A. Management Discussion and Analysis**

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.

## **APPOINTMENT AND/OR RE-APPOINTMENT 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:**

- A. 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 31.03.2016	Dainik Rashtriya Ujala (Hindi News Paper) and Indian Horizon (English News Paper)
Unaudited Financial Results for the Quarter ended on 31.12.2015	Naya India (Hindi News Paper) and Indian Horizon (English News Paper)
Unaudited Financial Results for the Quarter ended on 30.09.2015	Naya India (Hindi News Paper) and Financial Chronicle (English News Paper)
Unaudited Financial Results for the Quarter ended on 30.06.2015	Mahalaxmi Bhagyodai (Hindi News Paper) and Money Maker (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.

- B. 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.

## **DISCLOSURES:**

### **A. Related Party Transactions:**

There have been no materially significant related party transactions with the Company's promoters, directors, management or their relatives which may have a potential conflict with the interests of the Company. Members may refer to Disclosures of transactions with related parties i.e. Promoters, Directors, Relatives, or Management made in the Balance Sheet in Notes to the Accounts.

### **B. Accounting Standards:**

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

### **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. 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.

## **E. 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.

## **F. 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.

## **G. Code Of Conduct:**

In terms of Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) 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 Chairman and Managing Director of the Company forms part of this Report.

The Chairman & Managing Director of the Company has given the certification on financial reporting and internal controls to the Board in terms of Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman & Managing Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015.

### **DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT IN TERMS OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I hereby confirm that all the Board Members and senior management personnel of the company have affirmed their compliance of the '**Code of Conduct for Members of the Board and Senior Management**' for the year ended 31<sup>st</sup> March 2016 in term of the Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

**For and on behalf of the Board of Directors  
For Sital Leasing And Finance Limited**

**Place: Gurgaon  
Date: 26.05.2016**

**Surender Kumar Jain  
Managing Director  
DIN: 00530035**

## **GENERAL SHAREHOLDERS INFORMATION:**

### **A. 33<sup>rd</sup> Annual General Meeting:**

Date	:	29 <sup>th</sup> September, 2016
Time	:	11:00 A.M.
Venue	:	2693, Near Hongkok Bazar, Sector-57, Huda, Gurgaon- 122002

### **B. Date of Book Closure:**

The Company's Register of Members and Share Transfer Books will remain close from 23<sup>rd</sup> September, 2016 to 29<sup>th</sup> September, 2016 (both days inclusive).

### **C. Financial Year:**

1<sup>st</sup> April to 31<sup>st</sup> March

### **D. Registered Office:**

The registered office of the Company is at Office No. 322, 3rd Floor, S. S Plaza Commercial Complex, Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001.

### **E. CORPORATE OFFICE**

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

### **F. Stock Exchanges:**

Shares of the Company are listed on MSEI (Metropolitan Stock Exchange of India Limited) & Delhi Stock Exchange Limited.

### **G. Market Price Data:**

There trading on MSEI (Metropolitan Stock Exchange of India Limited) during the financial year 2015-16, as follows:

Month	MSEI		
	High (₹)	Low (₹)	Volume (no. of Shares)
20th April, 2015	720.00	720.00	100
20th May, 2015	716.25	715.10	550
20th June, 2015	722.50	721.00	410
20th July, 2015	749.00	745.00	2,673
20th August, 2015	724.50	723.50	3,000
20th September, 2015	691.25	687.00	8,005
20th October, 2015*	75.50	74.75	89,332
20th November, 2015	73.60	72.95	13,790
20th December, 2015	74.25	73.70	20,266
20th January, 2016	71.30	69.50	42,800
20 <sup>th</sup> February, 2016	67.70	67.40	85,310
20 <sup>th</sup> March, 2016	77.15	74.95	2,94,405
31 <sup>st</sup> March, 2016	78.25	77.00	10,200

\*The equity shares of face value of ₹ 10/- each is divided into the equity shares of face value of ₹ 1 each.

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

## H. Company Symbol

The Company Symbol on MSEI is SITAL.

## I. Registrar and Share Transfer Agents:

Bigshare Services Pvt. Ltd., 4E/8, First Floor, Jhandewalan Extension, New Delhi-110055, 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 lodgment, 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 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges.
- 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 has designated the following e-mail IDs, 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 and queries pertaining to their shareholding, dividend, etc., at their address given in this report.

## K. Shareholding Pattern as on March 31, 2016:

Category	No. of shareholders	No. of Shares (Face value of ₹ 10/-each) in Physical form	No. of shares in demat form	% of shareholding
Promoters	17	-	29,58,06,743	48.29
Body Corporate	10	1,02,000	2,24,05,914	3.67
NRI/OCBs/Clearing Members/Trust	-	-	-	-
Bank/Financial Institutions	-	-	-	-
Indian Public	1,454	9,59,02,800	19,83,35,298	48.04
HUF	-	-	-	-
others	2	-	20,995	00.00
Total	1,483	9,60,04,800	51,65,68,950	100.00

## L. Distribution Schedule of Shareholding as on March 31, 2016:

Shareholding of Nominal Value		No. of Shareholder	% of Shareholder	No. of Shares held	% of Shareholding
(₹)	(₹)				
Upto	5000	44	2.96	141085	0.023
5001	10000	19	1.25	130135	0.021
10001	20000	6	0.40	88540	0.014
20001	30000	37	2.49	941490	0.153
30001	40000	2	0.13	63112	0.010
40001	50000	9	0.60	416652	0.068
50001	100000	784	52.86	40641115	6.634
100001	ABOVE	583	39.31	570151621	93.077
TOTAL		1,483	100.00	61,25,73,750	100.00

## M. 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.**

4E/8, First Floor, Jhandewalan

Extension, New Delhi-110055

Tel No: 011-23522373

Fax No: 011-23522373

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.

# **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 31st March, 2016. 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.

**Anil Kumar**  
**Chartered Accountant**  
**M. No. 86223**

**Date: 26.05.2016**  
**Place: Gurgaon**

# **CEO/CFO/MD CERTIFICATION**

I, **Surender Kumar Jain**, Managing Director, 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 31-03-2016 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 any, 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.
- (e) I further declare that the board members and senior managerial personnel have affirmed compliance with the code of conduct under Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015, for the Current Year.

**For and on behalf of the Board of Directors  
For Sital Leasing And Finance Limited**

**Place: Gurgaon  
Date: 26.05.2016**

**Surender Kumar Jain  
Managing Director  
DIN: 00530035**

**FORM NO. MR- 3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL**  
**YEAR ENDED 31.03.2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED**  
**31.03.2016**

To,  
The Members,  
SITAL LEASING AND FINANCE LIMITED  
Office No. 322, 3<sup>rd</sup> Floor, S. S. Plaza,  
Commercial Complex, Mayfield Garden,  
Sector-47, Gurgaon-122001

Date of Incorporation: **10/10/1983**  
Authorized Share Capital: **65,00,00,000.00**  
Paid up Share Capital: **61,25,73,750.00**

We have conducted the secretarial audit of the compliance of applicable statutory provisions **SITAL LEASING AND FINANCE LIMITED** hereinafter referred to as ("the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **SITAL LEASING AND FINANCE LIMITED** 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st Day of March, 2016 ('Audit Period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SITAL LEASING AND FINANCE LIMITED** ('The Company') for the financial year ended on 31st Day of March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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; (Not applicable to the company during the audit period)
- 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;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

As per the information furnished before us, we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s),

During the period under review the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:.

1. Company has not complied with the provisions of Section 203 (iii) of Companies Act, 2013 for appointment of Chief Financial Officer during the audit period.

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting however, Company does not have proof of payment of sitting fee to the directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**Place: Delhi**

**Date: 26.05.2016**

**SAS and Associates**

**Shazan Ali**

**Partner**

**ACS No. 25996**

**C P No.: 9354**

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

Our report of even date is to be read along with this letter.

- i. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iv. Where ever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.
- v. The Compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability nor of the efficacy of the effectiveness with which the management has conducted the affairs of the Company.

**Place: Delhi  
Date: 26.05.2016**

**SAS and Associates**

**Shazan Ali  
Partner  
ACS No. 25996  
C P No.: 9354**

# **FORM NO. MGT- 9**

## **EXTRACT OF ANNUAL RETURN**

### **As on the financial year ended on 31/03/2016**

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

#### **I REGISTRATION AND OTHER DETAILS:**

i.	CIN	L65910HR1983PLC050169
ii.	REGISTRATION DATE	10/10/1983
iii.	NAME OF COMPANY	Sital Leasing And Finance Ltd
iv.	CATEGORY OF COMPANY	Having Share Capital
v.	SUB-CATEGORY OF COMPANY	Indian Non-Government Company
vi.	ADDRESS OF COMPANY	Office No. 322, 3rd Floor, S. S. Plaza Commercial Complex, Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001
vii.	LISTED/UNLISTED	Listed
viii.	NAME & ADDRESS OF RTA	Bigshare Services Pvt. Ltd. 4E/8, First Floor, Jhandewalan Extension, New Delhi- 110055

#### **II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	To deal with Leasing and Hire Purchase	0773	0%
2.	Other Financial Services- Dealing in shares and securities	0649	100%

#### **III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL**

S. N	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
		.....			

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

### i. Category-wise share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTORS</b>									
<b>1. Indian</b>									
a) Individual/HUF	531420	25500	556920	0.91	5569200	-	5569200	0.91	0.00
b) Central govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies corp.	2831775 0	-	2831775 0	46.23	2902375 43	-	2902375 43	47.38	1.15
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total A (1):</b>									
<b>2. Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total A (2):</b>									
<b>Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>2884917 0</b>	<b>25500</b>	<b>2887467 0</b>	<b>47.14</b>	<b>2958067 43</b>	<b>-</b>	<b>2958067 43</b>	<b>48.28</b>	<b>1.14</b>
<b>B. Public Share holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-	-
<b>2.Non Institutions</b>										
<b>a) Bodies Corp.</b>										
(i)Indian	2049840	10200	2060040	3.36	2240591 4	102000	2250791 4	3.67	0.31	
(ii)Overseas	-	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>										
(i)Individual Shareholders Holding nominal share capital up to Rs. 1 lakh/ 2 lakh	245178	3912380	4157558	6.79	1041797 3	61482800	7190077 3	11.73	Yes	
ii)Individuals shareholders holding nominal share capital excess of Rs 1 lakh/ 2 lakh	2021348 7	5961620	2616510 7	42.71	1879173 25	34420000	2223373 25	36.29	(6.42)	
c)Others (Specify)	-	-	-	-	20995	-	20995	0.00	0.00	
<b>sub-total (B) (2):-</b>	2250850 5	9874200	3238270 5	52.86	2207622 07	96004800	3167670 07	51.71	(1.15)	
<b>Total Public Shareholding (B)= (B) (2)</b>	2250850 5	9874200	3238270 5	52.86	2207622 07	96004800	3167670 07	51.71	(1.15)	
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5135767 5</b>	<b>9899700</b>	<b>6125737 5</b>	<b>100</b>	<b>5165689 50</b>	<b>96004800</b>	<b>6125737 50</b>	<b>100</b>	<b>0.00</b>	

## ii. Share Holding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Surender Kumar Jain	102000	0.17	-	1020000	0.17	-	-
Virendra Jain	122910	0.20	-	1229100	0.20	-	-
Babita Jain	102510	0.17	-	1025100	0.17	-	-
Priti Jain	204000	0.33	-	2040000	0.33	-	-
Ram Chander	12750	0.02	-	127500	0.02	-	-
Rajesh Kumar Mishra	12750	0.02	-	127500	0.02	-	-
Pelicon Finance & Leasing Ltd	1287750	02.10	-	12877500	02.10	-	-
Synergy Finlease Pvt. Ltd	1402500	02.28	--	14025000	02.29	-	-
Wonder Trading Pvt. Ltd	1402500	02.28	-	14025000	02.29	-	-
Avail Financial Services Pvt. Ltd	3842850	06.27	-	39360681	06.43	-	-
Legend Infoways Pvt. Ltd.	9562500	15.61	-	95625000	15.61	-	-
Micro Land Developers Pvt. Ltd	8925000	14.57	-	89250000	14.57	-	-
Alstone Textiles India Limited/ Shalini Holdings Limited	1582020	02.58	-	15820200	02.58	-	-
Paschim Finance & Chit Fund Pvt. Ltd.	179775	0.29	-	1797750	0.29	-	-
Silvant Investment & Finance Pvt. Ltd	132855	0.22	-	1328550	0.22	-	-
Mekastar Finlease Limited	0	0.00	-	819060	.13	-	0.13
Utsav Securities Pvt Ltd	0	0.00	-	5308802	0.86	-	0.86
<b>TOTAL</b>	<b>28874670</b>	<b>47.11</b>	<b>-</b>	<b>295806743</b>	<b>48.28</b>	<b>-</b>	<b>-</b>

**iii. Change in Promoters shareholding (Please Specify, if there is no change)**

PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Share	% of total shares of the company	No. of share	% of Total shares of the company
At the beginning of the year	2,88,74,670	47.14	2,88,74,670	47.14
Date wise Increase/Decrease in Promoters Share holding the year specifying the reasons for increase /decrease	266932073 (being shares)	Are getting	266932073 increased	due to trading of shares)
At the end of year	29,58,06,743	48.28	29,58,06,743	48.28

**iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holder of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding At the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total of the company
At the beginning of the year	3,33,67,230	54.47	3,33,67,230	54.47
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease	(being shares)	Are getting	increased	due to trading of shares)
At the end of year (or on the date of separation during the year)	33,45,78,332	54.61	33,45,78,332	54.61

**v. Shareholding of Director and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No, of shares	% of total shares of the company
At the beginning of the year	3213000	05.24	3213000	05.24
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.)	-	-	-	-
At the end of year	3213000	05.24	3213000	05.24

## V INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
(i)Principal Amount	-	-	-	-
(ii)Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
➤ Addition				
➤ Reduction	-	-	-	-
<b>Net Charge</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
(i)Principal Amount				
(ii)Interest due but not paid	38,33,708	-	-	-
(iii)Interest accrued but not due				
<b>Total (i+ii+iii)</b>	38,33,708	-	-	-

## VI REMUNARATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	----	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income –tax Act,1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profit in lieu of salary under section 17(3) Income tax Act,1961	Surender Kumar Jain (MD)	-	-	-	Rs. 2,00,000/- P.M.
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - As % of profit - others, Specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-



**B. Remunerations to others Director**

Particulars of Remuneration	Name of Director				Total Amount
	-----	-----	-----	-----	
1. Independent Directors					
• Fee for attending board committee meetings	-	-	-	-	-
• Commission					
• Others, Please specify					
<b>Total (1)</b>	-	-	-	-	-
2. Other Non – Executive Directors					
• Fee for attending board committee meetings	-	-	-	-	-
• Commission					
• Others, please specify					
Total (2)	-	-	-	-	-
Total (B) = (1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-

**C. REMUNERATION TO KEY MAMAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD**

S No.	Particulars of Remuneration	Key Managerial Personnal			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income –tax Act,1961	-	Rajendra Kumar	-	Rs. 12000/- P.M.
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-	-
	(c) Profit in lieu of salary under section 17(3) Income tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of profit	-	-	-	-
	- Others specify.....				
5.	Others, Please specify	-	-	-	-
	<b>Total</b>	-	Rajendra Kumar	-	Rs. 12000/- P.M.

## VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT ]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
FOR SITAL LEASING AND FINANCE LIMITED

Surender Kumar Jain  
Managing Director  
DIN: 00530035

Rajendra Kumar  
Company Secretar  
Mem No.: 39836

DATE: 26.05.2016  
PLACE: GURGAON

# **Independent Auditor's Report**

To the Members of  
**SITAL LEASING & FINANCE LIMITED**

## **Report on the Financial Statements**

I have audited the accompanying financial statements of **M/s SITAL LEASING & FINANCE LIMITED** ("the Company") which comprise the Balance Sheet as at **March 31, 2016** and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the matters in section 134(5) of the Companies Act, 2013 (the Act) with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 the Companies Act, 2013 read with rule 7 of Companies (Accounts) Amendment Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the act for the safeguarding of Assets of the company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimated that are reasonable and prudent and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the act, the accounting and Auditing standards and matter which are required to be included in the audit report under the provision of the act and the rules made thereunder. I conducted my audit in accordance with the Standards on Auditing specified under section 143 (10) of the act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the financial statements read together with NOTES thereon, **subject to Note No. 26, there is non provision of diminution in the value of Non Current Investment to the tune of ₹ 115.29 Crores by virtue of which profit of the company has been overstated by ₹ 115.29 Crores. Further, as per AS-2, the inventories are to be valued at cost or market value whichever is less. There is non provision for shortfall in value of inventories to the tune of ₹ 1.15 Crore by virtue of which profit of the company has been overstated by ₹ 1.15 Crore**, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
- (C) In the case of the Cash Flow Statement, of the Cash Outflows for the year ended on that date;

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

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure "A" statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - b) in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those book;
  - c) the Balance Sheet, Statement of Profit and Loss, and cash flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In my opinion, the aforesaid Financial Statements, comply with the Accounting Standards specified under section 133 of the act, read with 7 of Companies (Accounts) Amendment Rules, 2015.
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164(2) of the act.
  - f) with respect to 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",and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- (i) the Company does not have any pending litigations which would impact its financial position.
  - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**CA. ANIL KUMAR**  
**(Chartered Accountant)**  
**M.No. 086223**

**Place: Gurgaon**  
**Date: 26.05.2016**

## **“ANNEXURE A” TO THE AUDITOR’S REPORT**

The Annexure referred to in my report of even date to the members of **M/s SITAL LEASING & FINANCE LIMITED** as at and for the year ended 31st March, 2016, I report that:

### **1. Fixed Assets:**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to me, all the fixed assets have been physically verified by the management in a phased periodical manner, which in my opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

### **2. Inventories:**

- a) The inventories have been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As per the information and explanation given to me, no material discrepancies were noticed on physical verification.

### **3. Secured or unsecured Loans**

The company has granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of such loans are nor prejudicial to the interest of the company. The company has been regular in receiving the interest from the parties, wherever applicable

4. The company has complied with the provision of section 185 & 186 in respect of loans, investments, guarantees, and security.
5. In my opinion and according to the Information & Explanation given to me, The Company has not accepted deposits under the provisions of sections 73 to 76 are not applicable or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. I have been informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

8. There has been no default in repayment of dues to banks, financial institutions, and Government, in respect of loans taken from banks against vehicle. The company has not taken any other loan.
9. In my opinion and according to the Information & Explanation given to me, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans so the clause is not applicable for the company.
10. Based on the procedure performed and the information and explanation given to me, I report that no fraud on or by the company has been noticed or reported during the year, nor I have been informed of such cases by the management.
11. In my opinion and according to the information and Explanation given to me company has paid or provided managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi company hence the provision related to the the Nidhi Company is not applicable.
13. In my opinion and according to the information and Explanation given to me company has complied the provision of related party transaction refer in sections 177 and 188 of Companies Act, 2013, and the detail have been disclosed in the financial statement as required by the applicable Accounting Standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is engaged in the business of non-banking financial institution and has obtained certificate of registration with RBI dated 21.12.2001, Reg. Cert. No. B-14.02131.

**CA. ANIL KUMAR**  
**(Chartered Accountant)**  
**M.No. 086223**

**Place: Gurgaon**  
**Date: 26.05.2016**

## **“Annexure – B” to the Auditors’ Report**

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

I have audited the internal financial controls over financial reporting of **M/s SITAL LEASING & FINANCE LIMITED** (“the Company”) as of 31 March 2016 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company’s internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of



the company are being made only in accordance with authorisations of management and directors of the company; and (3) 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.

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

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

#### **Opinion**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

**CA. ANIL KUMAR**  
**(Chartered Accountant)**  
**M. No. 086223**

**Place: Gurgaon**  
**Date: 24.05.2016**

**STATUTORY AUDITORS' REPORT**  
**(Under RBI Act)**

To,  
The Board of Directors  
M/s Sital Leasing & Finance Limited  
322, 3rd Floor, SS Plaza Commercial Complex  
Mayfield Garden, Sector- 47, Gurgaon

I have audited the Balance Sheet of M/s Sital Leasing & Finance Limited, ('the Company') as at 31st March 2016 and the Statement of Profit and loss for the year ended on that date, both annexed thereto.

As required by the "Non-Banking Financial Companies Auditors Report (Reserve Bank of India) Directions 2008" dated September 18, 2008 issued in term of Sub Section (1A) of Section 45MA of RBI Act, 1934, our responsibility is to report on the matter specified in paragraphs 3 and 4 of the said Direction and now we report, on the matter to the extent applicable to the company, as hereunder:

- a) The company has obtained **certificate of registration (COR) from the Reserve Bank of India Registration No. B - 14.02131, issued on 21<sup>st</sup> December, 2001**, the company is non-deposit accepting NDSI-NBFC.
- b) The company is entitled to continuing to undertake the business of Non Banking Finance Institution." In terms of its assets /income pattern criteria set by RBI vide its circular No. DNBS.PD.CC.No.85/03.02.089/2006-07 dated Dec 6, 2006).
- c) The Board of Directors of the company has passed a resolution for the non acceptance of any public deposits.
- d) The company has not accepted any public deposits during the financial year ended 31.03.2016.
- e) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of " "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015".
- f) The Company has complied with the Capital adequacy, capital funds, risk assets/exposures and risk asset ratio as disclose in the return submitted to the bank in form of NBS\_7, has been correctly arrived at such ratio in compliance with the minimum CRAR prescribed by the bank.
- g) The company has furnished the annual statement of capital funds, risks assets/exposures and risk assets ratio (NBS\_7) within the stipulated time to Reserve Bank of India.
- h) The company has no branches during the financial year ended 31.03.2016.

**Anil Kumar**  
**(Chartered Accountant)**  
**Membership No: 086223**

**Date: 26.05.2016**  
**Place: Gurgaon**

# **SITAL LEASING AND FINANCE LIMITED**

## **BALANCE SHEET AS AT 31-03-2016**

(IN ₹)

PARTICULARS	NOTE NO.	AS AT 31ST, MARCH 2016	AS AT 31ST MARCH, 2015
<b>I EQUITY AND LIABILITIES</b>			
1 <u>Shareholders Funds</u>			
(A) Share Capital	2	61,25,73,750	61,25,73,750
(B) Reserves And Surplus	3	9,07,76,11,164	9,06,65,10,511
2 <u>Non Current Liabilities</u>			
(A) Long Term Borrowings	4	38,33,708	-
(B) Long Term Provision	5	4,14,634	64,401
3 <u>Current Liabilities</u>			
(A) Other Current Liabilities	6	31,87,737	3,09,463
(B) Short Term Provisions	7	39,28,413	28,91,727
<b>TOTAL</b>		<b>9,70,15,49,406</b>	<b>9,68,23,49,852</b>
<b>II ASSETS</b>			
1 <u>Non-Current Assets</u>			
(A) Fixed Assets	8	1,56,93,774	92,48,722
(B) Non-Current Investments	9	9,50,00,00,000	9,50,00,00,000
(C) Deferred Tax Assets	10	5,93,310	3,91,175
(D) Long-Term Loans And Advances	11	13,82,51,223	2,57,99,998
2 <u>Current Assets</u>			
(A) Stock In Trade	12	4,36,13,555	4,92,41,279
(B) Trade Receivables	13	10,39,431	45,613
(C) Cash And Cash Equivalents	14	11,53,401	9,61,40,504
(D) Short Term Loans & Advances	15	12,04,712	14,82,561
<b>TOTAL</b>		<b>9,70,15,49,406</b>	<b>9,68,23,49,852</b>

*Schedules referred to above and notes attached there to form an integral part of the Balance Sheet*

In Terms Of My Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

CA. ANIL KUMAR  
(Chartered Accountant)  
M. NO. 086223

SURENDRA KUMAR JAIN  
(Managing Director)  
DIN: 00530035

PRITI JAIN  
(Director)  
DIN : 00537234

Place: Gurgaon  
Date: 26.05.2016

RAJENDER KUMAR  
(Company Secretary)  
M. No. A39836

# SITAL LEASING AND FINANCE LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2016

(IN ₹)

PARTICULARS	NOTE NO.	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Revenue From Operations	16	2,39,97,20,641	1,41,75,24,125
Other Income	17	10,21,038	2,09,585
<b>Total Revenue</b>		<b>2,40,07,41,679</b>	<b>1,41,77,33,710</b>
Purchases of Stock in Trade	18	2,37,63,37,286	1,39,05,86,104
Change in Stock In Trade	19	56,27,724	1,13,00,003
Employee Benefits Expenses	20	10,65,195	12,26,301
Finance Cost	21	1,95,043	-
Depreciation And Amortization Expenses	8	26,74,447	24,43,857
Other Expenses	22	37,79,932	36,11,562
<b>Total Expenses</b>		<b>2,38,96,79,627</b>	<b>1,40,91,67,827</b>
<b>Profit After Depreciation</b>		<b>1,10,62,052</b>	<b>85,65,882</b>
Less: Contingent Provision For Std. Assets	23	3,50,233	(2,37,798)
<b>Profit Before Tax</b>		<b>1,07,11,819</b>	<b>88,03,680</b>
<b>Tax Expense</b>			
Current Tax		39,28,413	28,91,727
Earliar Years Tax		-	-
Deferred Tax		(2,02,135)	(2,83,163)
<b>Profit For The Year ended</b>		<b>69,85,541</b>	<b>61,95,116</b>
Earning Per Equity Share			
Basic		0.01	0.10
Diluted		0.01	0.10

Schedules referred to above and notes attached there to form an integral part of the Statement of Profit & Loss

In Terms Of My Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

CA. ANIL KUMAR  
(Chartered Accountant)  
M. NO. 86223

SURENDRA KUMAR JAIN  
(Managing Director)  
DIN: 00530035

PRITI JAIN  
(Director)  
DIN : 00537234

Place: Gurgaon  
Date: 26.05.2016

RAJENDER KUMAR  
(Company Secretary)  
M. No. A39836

# SITAL LEASING AND FINANCE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

( ₹ in Lacs)

PARTICULARS	2015-16	2014-15
<b>A. CASH FLOWS FROM OPERATION ACTIVITIES :</b>		
Net Profit Before Tax And Extraordinary Items	69.86	61.95
<b>Adjustments For :</b>		
Contingent provision for Standard Assets	3.50	(2.38)
Provision For Taxation	39.28	28.92
Deffred Tax Assets	(2.02)	(2.83)
Depreciation	26.74	24.44
Change in Valuation of inventories	42.59	-
Operating Profit Before Working Capital Changes	179.96	110.10
<b>Adjustments For :</b>		
Increase in Trade Receivables	(52.63)	-
Increase/Decrease In Current Assets	2.78	116.55
Increase/Decrease in Trade Payables	-	(204.95)
Increase/Decrease In Current Liabilities	7.16	0.79
Increase / Decrease in Stock	98.87	-
Cash Generated From Operations	56.18	(87.62)
Direct Tax Paid	(28.92)	(28.13)
<b>Net Cash From Operating Activities</b>	<b>207.22</b>	<b>(5.65)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Asset	(91.19)	(0.40)
Net Cash Used In Investment Activities	<b>(91.19)</b>	<b>(0.40)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from Bank for Car	58.62	-
Repayment of Loan	-	951.19
Loans & Advances Given	(1,124.51)	-
Net Cash From In Financing Activities	<b>(1,065.89)</b>	<b>951.19</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(949.87)	945.14
CASH & CASH EQUIVALENTS (Opening Balance)	961.41	16.26
<b>CASH &amp; CASH EQUIVALENTS (Closing Balance)</b>	<b>11.53</b>	<b>961.40</b>

NOTE : NEGATIVE FIGURES HAVE BEEN SHOWN IN BRACKETS.

In Terms Of My Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

CA. ANIL KUMAR  
(Chartered Accountant)  
M. NO. 086223

SURENDRA KUMAR JAIN  
(Managing Director)  
DIN: 00530035

PRITI JAIN  
(Director)  
DIN : 00537234

Place: Gurgaon  
Date: 26.05.2016

RAJENDER KUMAR  
(Company Secretary)  
M. No. A39836

## **Note1: 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, 2016 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 a 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**

**(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) Earning 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 Equivalent**

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.



## Notes to Financial Statements

### NOTE 2. SHARE CAPITAL

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
<b>Authorised Share Capital</b>		
6,500,00,000 Equity Share of ₹ 1/- Each (Previous Year 65,000,000 Equity share of ₹10/-each)	65,00,00,000	65,00,00,000
	<b>65,00,00,000</b>	<b>65,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		
Shares at the end of the Accounting Period 6,125,73,750 Equity Shares of ₹1/- Each (Previous Year 61,257,375 of ₹ 10/- each )	61,25,73,750	61,25,73,750
<b>Total</b>	<b>61,25,73,750</b>	<b>61,25,73,750</b>

2.1 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, repayment of Capital & Voting.

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

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Equity Shares at the beginning of the year	6,12,57,375	6,12,57,375
Equity Shares at the end of the Year (F.V of the shares at the beginning of the year is ₹ 10/- and at the end of year is ₹ 1/-)	<b>61,25,73,750</b>	<b>6,12,57,375</b>

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

Name of the Shareholders	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
	% of Shares held	No. Of Share	% of Shares held	No. Of Share
Avail Financial Services Ltd.	6.43	3,93,71,271	6.27	3,84,28,500
Legend Infoways Pvt. Ltd.	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

## Notes to Financial Statements

### NOTE 3: RESERVES & SURPLUS

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
<b><u>Reserve Under Section 45(IC)</u></b>		
At The Beginning Of The Accounting Period	26,82,917	15,15,886
Additions During The Year	14,26,728	11,67,031
At The End Of The Accounting Period	41,09,645	26,82,917
<b><u>General Reserve</u></b>		
At The Beginning Of The Accounting Period	10,58,15,522	10,58,15,522
Additions During The Year	-	-
At The End Of The Accounting Period	10,58,15,522	10,58,15,522
<b><u>Securities Premium Account</u></b>		
At The Beginning Of The Accounting Period	8,94,88,87,500	8,94,88,87,500
Additions During The Year	-	-
At The End Of The Accounting Period	8,94,88,87,500	8,94,88,87,500
<b><u>Surplus in Statement of Profit &amp; loss</u></b>		
At The Beginning Of The Accounting Period	91,24,571	68,47,295
Additions During The Year	69,85,541	61,95,116
(Balance In Statement Of Profit & Loss)	-	-
<b><u>Transfer To Reserves</u></b>		
Reserve U/S 45(IC)	(14,26,728)	(11,67,031)
Provision for CSR Expenses	(1,33,699)	(97,302)
ROC fees for increased in Authorised cap.	-	(26,52,500)
Fixed Assets Written Off	-	(1,007)
Reversal of loss on valuation	42,59,210	-
Inter Segment trf exp. Written off	(10,400)	-
At The End Of The Accounting Period	1,87,98,496	91,24,571
<b>Grand Total</b>	<b>9,07,76,11,164</b>	<b>9,06,65,10,511</b>

## Notes to Financial Statements

### NON CURRENT LIABILITIES

#### NOTE: 4 LONG TERM BORROWINGS

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
<b>Term Loans</b>		
Loan from Bank (Secured Loan)	38,33,708	-
Current portion of the above liability is disclosed under the "other Current liabilities"		
<b>Total</b>	<b>38,33,708</b>	<b>-</b>

4.1 During the Company has acquired loan of Rs. 65.00 Lacs from ICICI bank for Car

#### NOTE: 5 LONG TERM PROVISION

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Provision for Standard Assets	4,14,634	64,401
<b>Total</b>	<b>4,14,634</b>	<b>64,401</b>

### CURRENT LIABILITIES:

#### NOTE 6 : OTHER CURRENT LIABILITIES

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Current maturities of long Term payable	20,28,354	-
Expenses Payable	11,59,383	3,09,463
<b>Total</b>	<b>31,87,737</b>	<b>3,09,463</b>

#### NOTE 7 : SHORT TERM PROVISION

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Provision for Taxation	39,28,413	28,91,727
<b>Total</b>	<b>39,28,413</b>	<b>28,91,727</b>

## Notes to the Financial Statement

Note : 8 Fixed Asset

IN ₹

Sr. No	Particulars	Gross Block				Depreciaton					Net Block	
		Value at the beginning	Addition during the year	Deducti on during the year	Value at the end	Value at the beginning	Addition during the year	Adjus tment s	Deduct ion during the year	Value at the end	WDV as on 31.03.2016	WDV as on 31.03.2015
I	<b>Tangible Assets</b>											
1	Building	50,94,814	3,82,000	-	54,76,814	4,90,083	2,40,204	-	-	7,30,287	47,46,527	46,04,731
2	Furniture & fixture	12,59,500	-	-	12,59,500	5,61,783	-	-	-	5,61,783	6,97,718	6,97,718
3	Vehicles	74,11,090	86,97,254	-	1,61,08,344	36,55,569	23,22,945	-	-	59,78,514	1,01,29,830	37,55,521
4	Office Equipment	4,22,849	40,245	-	4,63,094	2,32,097	1,11,298	-	-	3,43,395	1,19,699	1,90,752
	<b>SUB TOTAL</b>	<b>1,41,88,253</b>	<b>91,19,499</b>	<b>-</b>	<b>2,33,07,752</b>	<b>49,39,532</b>	<b>26,74,447</b>	<b>-</b>	<b>-</b>	<b>76,13,979</b>	<b>1,56,93,774</b>	<b>92,48,722</b>
	(Year)	1,41,88,253	91,19,499	-	2,33,07,752	49,39,532	26,74,447	-	-	76,13,979	1,56,93,774	92,48,722
	(Previous Year)	1,41,48,253	40,000	-	1,41,88,253	24,94,668	24,43,857	-	-	49,39,532	92,48,722	1,16,53,586

In Terms Of My Report Of Even Date Annexed

FOR SITAL LEASING AND FINANCE LIMITED

CA. ANIL KUMAR  
(Chartered Accountant)  
M. NO. 086223

SURENDRA KUMAR JAIN  
(Managing Director)  
DIN: 00530035

PRITI JAIN  
(Director)  
DIN : 00537234

Place: Gurgaon  
Date: 26.05.2016

RAJENDER KUMAR  
(Company Secretary)  
M. No. A39836

## Notes to Financial Statements

### NON CURRENT ASSETS

#### NOTE 09: NON CURRENT INVESTMENT

IN ₹

PARTICULARS		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
<b>Unquoted Equity Shares</b>			
1000000	Carewell Exim Pvt. Ltd. of ₹ 10/-each	1,00,00,00,000	1,00,00,00,000
2000000	KDG Properties & Construction Pvt. Ltd. of ₹ 10/- each	2,00,00,00,000	2,00,00,00,000
3250000	Solomon Holdings Pvt. Ltd. ₹ 10/- each	3,25,00,00,000	3,25,00,00,000
3250000	Utsav Securities Pvt. Ltd ₹ 10/- each	3,25,00,00,000	3,25,00,00,000
<b>Total</b>		<b>9,50,00,00,000</b>	<b>9,50,00,00,000</b>

#### NOTE 10 : DEFERRED TAX ASSETS (NET)

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Opening Balance	3,91,175	1,08,012
Created During the Year	2,02,135	2,83,163
Reversed During the Year	-	-
<b>Closing Balance</b>	<b>5,93,310</b>	<b>3,91,175</b>

## Notes to Financial Statements

### NOTE :11 LONG TERM LOAN & ADVANCES

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
<b>Unsecured Loan</b> (overdue Amount)		
Standard Assets	13,82,11,223	2,57,59,998
DSE Security Deposits	40,000	40,000
<b>Total</b>	<b>13,82,51,223</b>	<b>2,57,99,998</b>

### NOTE : 12 STOCK IN TRADE

IN ₹

(As per Annexure "A" attached)

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Stock in Trade ( Quoted security)	4,36,13,555	4,92,41,279
<b>Total</b>	<b>4,36,13,555</b>	<b>4,92,41,279</b>

### NOTE : 13 TRADE RECEIVABLE

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
<b>(Unsecured &amp; considered Good)</b>		
Sundry Debtors		
Less than Six Months	10,39,431	45,613
More Than Six Months	-	-
<b>Total</b>	<b>10,39,431</b>	<b>45,613</b>

### NOTE : 14 CASH & CASH EQUIVALENTS

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Cash in Hand	4,76,392	3,67,578
Bank balance with Current account	4,72,009	9,57,72,926
Fixed Deposit	2,05,000	-
<b>Total</b>	<b>11,53,401</b>	<b>9,61,40,504</b>

## Notes to Financial Statements

### NOTE : 15 SHORT TERM LOAN & ADVANCES

IN ₹

PARTICULARS	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Balance from Revenue Authorities	12,04,712	14,63,255
Prepaid Expenses	-	19,306
<b>Total</b>	<b>12,04,712</b>	<b>14,82,561</b>

### NOTE : 16 REVENUE FROM OPERATION

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Sale of Trading Goods	2,38,19,16,196	1,40,31,88,612
Income from Trading	67,56,509	3,90,742
Interest On Loan (Gross TDS: ₹ 11,04,794/- Previous Year Gross TDS: ₹ 13,95,440)	1,10,47,936	1,39,44,771
<b>Total</b>	<b>2,39,97,20,641</b>	<b>1,41,75,24,125</b>

### NOTE : 17 OTHER INCOME

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Dividend Income	10,06,959	1,99,960
Interest Income On FDR (Gross)	-	9,625
Car Insurance claim	14,079	-
<b>Total</b>	<b>10,21,038</b>	<b>2,09,585</b>

### NOTE : 18 PURCHASES OF STOCK IN TRADE

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Purchases of Stock in trade	2,37,35,82,911	1,38,96,40,837
Trading Expenses	27,54,375	9,45,267
<b>Total</b>	<b>2,37,63,37,286</b>	<b>1,39,05,86,104</b>

## Notes to Financial Statements

### NOTE : 19 CHANGE IN STOCK IN TRADE

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Balance at the beginning of the year	4,92,41,279	6,05,41,282
Balance at the Closing of the year	4,36,13,555	4,92,41,279
<b>Total</b>	<b>56,27,724</b>	<b>1,13,00,003</b>

### NOTE : 20 EMPLOYEE BENEFITS EXPENSES

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Salary Expenses	10,35,597	12,00,756
Staff Welfare Expenses	29,598	25,545
<b>Total</b>	<b>10,65,195</b>	<b>12,26,301</b>

### NOTE : 21 FINANCE COST

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Interest Expenses	1,95,043	-
<b>Total</b>	<b>1,95,043</b>	<b>-</b>



## Notes to Financial Statements

### NOTE : 22 OTHER EXPENSES

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Advertisement Expenses	55,987	76,140
<b>- Audit Remuneration</b>		
(a) Audit Fees	18,320	12,360
(b) Tax Audit Fees	11,236	11,236
(c) Internal Audit Fees	10,000	10,000
Annual charges for Credit Rating	22,718	20,225
Bank Charges	16,655	1,894
Business Promotion	3,00,746	17,64,023
Car Insurance	86,293	21,677
Loss On Sale of Commodity	-	10,538
Conveyance Expenses	47,993	42,771
Director Sitting Fees	-	50,000
Directors Remunerations	18,00,000	-
Interest on Late Payment of Tax	1,65,390	-
Legal & Professional charges	82,406	2,27,846
Listing Compliance Charges	2,76,073	5,91,857
Meeting expenses	37,627	-
Misc. Expenses	31,722	18,970
Postal Charges	77,289	42,763
Printing & Stationery	1,28,593	67,232
Repair & Maintenance	5,31,610	5,54,446
Secretarial & Filing Fees Expenses	15,500	18,000
Software Exp.	-	8,000
Trading Expenses	55,121	22,984
Telephone expenses	8,653	-
Tour & Travels Expenses	-	38,600
<b>Total</b>	<b>37,79,932</b>	<b>36,11,562</b>

### NOTE : 23 PROVISIONS

IN ₹

PARTICULARS	Current Period Apr-2015- Mar-16	Previous Period Apr-2014- Mar-2015
Provision on Standard Assets	3,50,233	(2,37,798)
<b>Total</b>	<b>3,50,233</b>	<b>(2,37,798)</b>

**Annexure 'A'****Detail of Closing Stock in Trade**

<b>Particulars</b>	<b>Quantity</b>	<b>2,016</b>
ADANI ENTERPRISES LIMITED	500	1,55,719
ADANI PORTS & SPC. ECO. ZONE LTD	218	69,292
ADANI POWER LTD.	1629	71,355
ADANI TRANSMISSION LIMITED	200	0
ALLAHBAD BANK LTD.	200	23,620
ALOK IND.LIMITED	500	3,950
ANDHRA BANK LTD.	1000	67,335
AXIS BANK LIMITED	10	5,830
BAJAJ AUTO LTD.	5	10,619
BAJAJ HINDUSTHAN SUGAR LTD.	500	7,945
BANK NIFTY	300	35,62,736
BANK OF INDIA	200	51,730
BERGER PAINTS INDIA LTD.	10	2,168
BHARAT HEAVY ELE. LTD.	100	24,188
BIOCON LIMITED	10	4,483
CAIRN INDIA LIMITED	10	1,850
CANARA BANK	100	35,807
CASTROL INDIA	10	4,335
CEAT LIMITED	10	6,770
CESC	10	5,458
COAL INDIA LTD.	75	30,153
CREWBOSS PRODUCTS LTD.	1000	6,050
DABUR INDIA LIMITED	10	2,707
DENA BANK LTD.	200	12,240
DHAMPUR SUGGARS LTD.	500	16,076
DLF LIMITED	50	5,893
EDUCOM SOLUTION LTD.	100	1,348
ENGINEER INDIA LTD.	20	4,116
ESSEL PROPACK LTD	10	1,173
EXIDE INDUSTRIES LIMITED	10	1,544
FINANCIAL TECHNOLOGY LIMITED	20	3,632
FINOLEX CABLES LTD.	10	2,718
GAMMON INDIA LTD.	200	7,004
GMR INFR. LTD.	2000	32,514
GODREJ INDUSTRIES LIMITED	10	3,787
GUJRAT MINERAL DEV. CORP. LTD	100	12,448
GUJRAT NARMADA VALLEY FERTI. AND CH LTD.	100	7,449
GUJRAT STATE FER. AN CHEM LTD.	100	9,272
HERO MOTOCORP LTD.	5	13,044
HINDALCO INDUSTRIES LIMITED	500	52,894
HINDUSTHAN CONSTRUCTION	200	7,391
HINDUSTAN COPP LTD.	100	8,199
HINDUSTAN ZINC LTD.	100	16,730
HOUSING DEV AND INF. LTD	100	9,258
ICICI banking co.	1000	3,17,257
IDBI BANK	100	6,663
IDEA CELLULAR LIMITED	50	8,976
IDFC LTD	800	1,21,049
IDFC BANK LIMITED	800	0
IFCI LTD.	100	3,021

INDIA CEMENTS LTD.	100	10,833
INDIAN BANK LTD.	100	16,014
INDIAN INFO. LTD	100000	14,73,000
IRB INFR. DEV LTD	100	27,526
IVRCL LTD.	1000	15,010
JAI CORPO LTD.	500	31,640
JAI PRAKASH ASSOCIATES LTD.	3000	89,147
JAI PRAKASH POWER VENTURE LTD.	300	3,277
KARNATAKA BANK	100	13,570
KOTAK MAHINDRA BANK LTD.	50	34,475
LML LIMITED	1000	7,555
L&T FINANCE HOLDINGS LTD.	200	13,839
MARUTI SUZUKI INDIA LTD	10	32,079
MCLEOD RUSSEL INDIA LTD.	10	2,399
METALS AND MINERALS TRADING CORP OF LTD.	100	5,008
MULTI COMMODITY	350	3,65,468
NATIONAL MINERALS DEV. CORP. LTD.	100	14,281
NATIONAL THERMAL POWER CORP. LTD	500	75,032
NESTLE INDIA LTD.	5	27,435
NHPC	247000	40,68,075
OIL AND NATURAL GAS COR. LTD.	100	34,928
PETRONET LNG LTD.	100	20,025
PMC FINCORP	80	157
POWER FINANCE CORP. LTD.	100	27,890
POWER GRID LIMITED	500	69,013
PUNJAB NATIONLA BANK	100	14,355
PUNJ LLOYED	200	7,768
RELIANCE CAPITAL	200	68,060
RELIANCE COMMUNICATION	700	65,248
RELIANCE INFR.	200	70,716
RELIANCE POWER	438090	3,03,90,360
RURAL ELECTRIFICATION INDIA LTD.	100	27,287
SAIL LTD.	1000	65,092
SOUTH INDIAN BANK	500	14,080
STATE BANK OF INDIA	500	2,11,132
SUZLON ENERGY LTD.	13000	3,70,196
SYNDICATE BANK LTD.	200	20,862
TATA POWER LTD.	100	8,588
TATA STEEL LTD.	100	33,938
TATA TELESERVICES	6000	30,398
UCO BANK LIMITED	100	5,489
UNION BANK OF INDIA	100	22,836
UNITECH LIMITED	1000	8,230
UNITED SPIRITS	190	6,48,960
VIJAYA BANK	100	4,054
VOLTAS	10	2,787
WELSPUN CORP LTD.	100	5,554
YES BANK	20	16,715
ZEE ENTERTAINMENT	500	1,83,375
<b>GRAND TOTAL</b>		<b>4,36,13,555</b>

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 ₹ 115.29 Crores by virtue of which profit of the company has been overstated by ₹ 115.29 Crores. Further, As per AS-2 the inventories are to be valued at cost or market value whichever is less. There is non provision for shortfall in value of inventories to the tune of ₹ 1.15 Crore by virtue of which profit of the company has been overstated by ₹ 1.15 Crore.
27. During the year, the company has not made any provision for Doubtful Assets in respect of Loan outstanding no payment for the current year is received in respect of the same is received. But the company is hopeful for receiving.
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 been traded in F & O's. All the transactions transacted in the F & O's during the year has been covered in the turnover of the company. During the year, the company has made turnover of Rs. 238.86 Crores from the sale & purchase of 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 ₹ 14,26,728. (Previous Year ₹ 11,67,031/-) representing 20% of Net Profit is transferred to the fund for the year.
31. 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 not applicable.

**32. Auditor's Remuneration:**

Name of the Auditor	Particulars	2015-16	2014-15
CA. ANIL KUMAR	Statutory Audit	18,320/-	12,360/-
	Tax Audit Fees	11236/-	11,236/-

33. Information as required by Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 is Furnished vide Annexure - I attached herewith.
34. Information as required by Non Banking Financial Companies -Corporate Governance (Reserve Bank) Direction, 2015 is Furnished vide Annexure - II attached herewith.
35. Earning per Share "AS-20" issued by the Institute of chartered Accountants of India:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(A) Profit after taxation as Statement of Profit and Loss (in Rupees)	6,985,541	6,195,116
(B) Weight Average number of equity Shares outstanding during the year	61,257,3750	61,257,375
(C) Nominal value of Equity shares (in rupees)	1.00	10.00
(D) Basic Earning per Share	0.01	0.10
(E) Diluted Earning per share	0.01	0.10

**36. 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 (In ₹)
KDG Properties & constructions Private Limited	Virendra Jain Director of KDG is Brother of Surendra Kumar Jain	Investment	0	0	2000000000
Utsav Securities Private Limited	Virendra Jain Director of Utsav is Brother of Surendra Kumar Jain	Investment	0	0	3250000000

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

37. 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 Deferred Tax Assets (Liabilities) are As follows:**

Calculation of Deferred Tax Assets		(In ₹)
WDV as per Companies Act		15,693,774
WDV as per Income Tax act		17,613,868
Timing Difference		1,920,095
<b>Deferred Tax Assets</b>		<b>593,310</b>

38. There are no micro, Small and Medium Enterprises, to whom the Company owes dues which outstanding for more than 45 days as at 31st March 2016. 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 My Report of even date annexed.**

**FOR SITAL LEASING & FINANCE LIMITED**

**CA. ANIL KUMAR**  
(Chartered Accountant)  
M. No. 086223

**SURENDRA KUMAR JAIN**  
(Managing Director)  
DIN: 00530035

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

Place: Gurgaon  
Date: 26.05.2016

**RAJENDER KUMAR**  
(Company Secretary)  
M. NO. A39836



(4)	<b>Break up of Investment:</b>	
	<u>Current Investment:</u>	
	1. <u>Quoted:</u>	
	(i) Share: (a) Equity	NIL
	(b) preference	NIL
	(ii) Debenture and Bonds	NIL
	(ii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL
	2. <u>Unquoted:</u>	
	(i) Share: (a) Equity	NIL
	(b) preference	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL
	<u>Long Term Investment:</u>	
	1. <u>Quoted:</u>	
	(i) Share: (a) Equity	NIL
	(b) preference	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL
	2. <u>Unquoted:</u>	
	(i) Share: (a) Equity	95000.00
	(b) preference	NIL
	(ii) Debenture and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL

(5) **Borrower group wise classification of assets financed as in (2) and (3) above:**  
Please see note 2 below

Category	Amount of Net of provision		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than Related parties	NIL	1377.96	1377.96
<b>Total</b>	NIL	1377.96	1377.96

(6)	<b>Investor group wise classification of all investments (current and long term) in share and securities (both quoted and unquoted):</b> Please see note 3 below:		
	<b>Category</b>	<b>Market Value / Break up or Fair value of NAV</b>	<b>Book value ( Net of Provision)</b>
	1. Related Parties**		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	47204.15	52500
	(c) Other related parties	NIL	NIL
	2. Other than Related parties	36266.16	42500
	<b>Total</b>	<b>83470.31</b>	<b>95000</b>

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

**(7) Other Information:**

	<b>Particulars</b>	<b>Amount</b>
(i)	Gross Non Performing Assets	
	(a) Related parties	<b>NIL</b>
	(b) Other than related parties	<b>NIL</b>
(ii)	Net Non Performing assets	<b>NIL</b>
	(a) Related parties	<b>NIL</b>
	(b) Other than related parties	<b>NIL</b>
(iii)	Assets acquired in satisfaction of debt	<b>NIL</b>

**Notes:**

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



**Indicative List of Balance Sheet Disclosure for NBFCs with Asset Size  
₹ 500 Crore and Above and Deposit Taking NBFCs**

**1. Capital fund to Risk Weighted Assets/Exposure (in percentage)**

Sr. No.	Particulars	Current Year	Previous Year
1.	Tier I Capital	72.91	104.57
2.	Tier II Capital	0.01	0.01
	<b>Total</b>	<b>72.91</b>	<b>104.58</b>

**2. Investments:**

**Amount in ₹ (Crore)**

Sr. No.	Particulars	Current Year	Previous Year
1.	Value of Investments		
	Gross value of Investments	950.00	950.00
	Less: provision for Depreciation	0.00	0.00
	Net Value of Investments	950.00	950.00
2.	Movements of Provisions	0.00	0.00

**3. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC: During the year, NBFC has not make borrowings exceeded by prescribed Limits. (In ₹)**

Particulars	2015-16	2014-15
<b>Doubtful Assets</b>	<b>0.00</b>	<b>0.00</b>
Total Non-Performing Assets	0.00	0.00
Provision already available	0.00	0.00
Additional Provision made during the year	0.00	0.00
Reversed during the year	0.00	0.00
<b>Total Provision at the end of the Year</b>	<b>0.00</b>	<b>0.00</b>
<b>Standard Assets</b>	<b>13,82, 11,223.00</b>	<b>25,759,998.00</b>
Provision already available	64400.90	302198.90
Additional provision made/ (Reversed) during the year	350232.76	(237,798.00)
<b>Total Provision at the end of Year</b>	<b>414633.66</b>	<b>64400.90</b>

**4.** The Company get its membership Certificate from all four CICs i.e. 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 But the company has not received any rating from above said agencies.

**5. Provision for Standard & 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 0.30% on Standard assets has also been made during the year, as per revised Framework guidelines for NBFCs Circular Date 10<sup>th</sup> Nov, 2014 issued by the RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

**6. Disclosure of Complaints**

**Customer Complaints**

No. of complaints pending at the beginning of the year - NIL

No. of complaints received during the year -NIL

No. of complaints redressed during the year -NIL

No. of complaints pending at the end of the year-Nil

# SITAL LEASING AND FINANCE LIMITED

Regd. Office: Office No. 322, 3rd Floor, S. S Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001

CIN: L65910HR1983PLC050169

Ph. No.: 91-9891709895, 0124-6990071

E-mail Id: [sitalleasing83@gmail.com](mailto:sitalleasing83@gmail.com), [sital1983@sitalleasingfinance.com](mailto:sital1983@sitalleasingfinance.com)

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

Name and Address of the Member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my Presence at the 33<sup>rd</sup> Annual General Meeting of the Company being held on Thursday, the 29th September, 2016 at 11:00 a.m. at 2693, Near Hongkok Bazar, Sector-57, Huda, Gurgaon- 122002 at and at any adjournment thereof.

Signature of the Shareholder	Signature of the Proxy

- 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.

# SITAL LEASING AND FINANCE LIMITED

Regd. Office: Office No. 322, 3rd Floor, S. S Plaza Commercial Complex,  
Mayfield Garden, Sector-47, Gurgaon, Haryana- 122001

CIN: L65910HR1983PLC050169

Ph. No.: 91-9891709895, 0124-6990071

E-mail Id: sitalleasing83@gmail.com, sital1983@sitalleasingfinance.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, 3rd Floor, S. S Plaza Commercial Complex, Mayfield Garden,  
Sector-47, Gurgaon, 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

1. Name :	Address :
E-mail Id :	Signature :

or failing him

1. Name :	Address :
E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual general meeting of the company, to be held on **Thursday, the 29<sup>th</sup> September, 2016 at 11:00 a.m.** at 2693, Near Hongkok Bazar, Sector-57, Huda, Gurgaon- 122002, and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
<b>Ordinary Business</b>	
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended March 31, 2016.
2	Ordinary Resolution that Mrs. Priti Jain, retires by rotation and being eligible for re-appointment, as a Director of the Company.
3	Ordinary Resolution under Section 139 to 142 of the Companies Act, 2013 for re-appointment of Mr. Anil Kumar, Chartered Accountant, as Statutory Auditor of the Company and fixing their remuneration.
<b>Special Business</b>	
4	Ordinary Resolution under Section 196, 197 and other applicable provisions of the Companies Act, 2013, for revision in the terms of remuneration of Mr. Surender Kumar Jain as the Managing Director of the Company.

Signed this ..... day of..... 20.....

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue  
Stamp

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

*If undelivered, please return to:*

**Sital Leasing and Finance Limited**

Office No. 322, 3rd Floor, S.S Plaza  
Commercial Complex, Mayfield Garden,  
Sector-47, Gurgaon, Haryana- 122001.