

SAINIK FINANCE & INDUSTRIES LIMITED

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

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Fax No. : -011-28315044/0124-2719100, CIN: L26912DL1991PLC045449

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read with the Companies (Management and Administration) Rules, 2014, including any statutory modification and re-enactment thereof for the time being in force, that the Resolutions appended below are proposed to be passed as Special Resolutions by way of Postal Ballot / e-voting. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto alongwith a Postal Ballot form for your consideration.

The Board of Directors of the Company has appointed Sh. Rajesh Gulati (Membership No. FCA 89046) Practicing Chartered Accountants, SMR & Associates, New Delhi as the Scrutinizer for conducting the Postal Ballot/ E-voting process in a fair and transparent manner. You are requested to carefully read the instructions printed on the Form, record your assent or dissent therein and return the same in original duly completed in the attached self-addressed, postage prepaid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5:00 p.m. (IST) on Saturday, March 25, 2017, failing which it will be strictly treated as if no reply has been received from the member. No other form thereof shall be permitted.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Notice of the Postal Ballot.

The Scrutinizer shall submit his report to the Chairman after completion of scrutiny of postal ballot forms and e-Voting. The results of voting by Postal Ballot (i.e. through the postal ballot form and e-Voting) will be declared on Monday, March 27, 2017 at 5:00 P.M. (IST) at the Corporate Office at 7th Floor, Corporate Office Tower, Ambience Mall, N.H-8, Gurgaon (Haryana) -122002 India. The results along with the Scrutinizer's Report will be displayed at the Registered Office and the Corporate Office of the Company. The results shall be communicated to the Stock Exchanges and the same alongwith the Scrutinizer's Report will be displayed on the Company's website www.sainikfinance.com as well as on National Securities Depository Limited's website- www.evoting.nsdl.com

Members may please note that resolutions if assented to by the requisite majority of the shareholders by means of postal ballot including voting by electronic means, will be taken as passed effectively on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting i.e. 5:00 p.m. (IST) on Saturday, March 25, 2017.

PROPOSED RESOLUTIONS

Item No. 1

Borrowing Powers of the Board

To consider and if thought fit, to pass through postal ballot/ e-voting, the following Resolution as **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'Board' which term shall include a Committee thereof authorized for the purpose) to borrow from time to time any sums of money, which together with money already borrowed by the Company may exceed the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time (apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs.500 crore (Rupees Five Hundred crore only).

RESOLVED FURTHER THAT all borrowings made by the Company under section 293(1)(d) of the Companies Act, 1956 and under section 180(1)(c) of the Companies Act, 2013 and all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and or any of its Directors and or officers and or representatives for and in the name of the Company in this regard be and are hereby noted, ratified and approved.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate and negotiate with the lending entities and to finalize and execute the documents and deeds, as may be applicable on such terms and conditions as may be decided by the Board, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company."

Item No. 2:

Selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking of the Company / creation of charge or mortgage on the Company's properties both present and future, in respect of borrowings.

To consider and if thought fit, to pass through postal ballot/ e-voting, the following Resolution as **Special Resolution**:

"RESOLVED THAT subject to the provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'Board' which term shall include a Committee thereof authorized for the purpose) to create charge, mortgage, hypothecation or other encumbrances, if any, in addition to the existing charges, mortgages and hypothecations created by the Company on such movable and immovable properties, both present and future and in such form and manner and with such ranking, whether exclusive, pari - passu, subservient or otherwise and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, wherever situated, in favour of the Lender(s), Agent(s), Trust(s), Mutual Fund(s), Trustee(s), Body Corporate(s), other entity(ies), person(s) etc., for securing the borrowings or fund / non-fund based facilities including debentures/ bonds / rupee / foreign currency loans whether partly / fully convertible/ non-convertible upto an amount not exceeding Rs.500/- Crores (Rupees Five Hundred Crores) (together with interest, costs, charges, expenses, liquidated damages, commitment charges, premium (if any) on redemption and any other money payable thereof) availed/to be availed by the Company and/or its subsidiary(ies) / affiliated(s)/ associate(s) or other person(s) or body corporate or Non-Banking Financial Companies/ the Banks etc.

RESOLVED FURTHER THAT all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and or any of its Directors and or officers and or representatives for and in the name of the Company in this regard be and are hereby noted, ratified and approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the terms and conditions for selling, leasing or other dispose off of the whole or substantially the whole of the undertaking of the Company, creating the aforesaid charge, mortgage and / or any other encumbrances and to execute the documents, letters, papers, undertakings and such other agreements including amendments thereto from time to time, as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company

**By Order of the Board
For Sainik Finance & Industries Limited**

Place: Gurgaon
Date: 8th February, 2017

**Rudra Sen Sindhu
Director
DIN : 00006999**

Notes: 1

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 setting out the material facts in respect of the item of the business mentioned in the notice is annexed thereto.
2. The Postal Notice is being sent to all the Members, whose name appear in the Register of Members / Register of beneficial owners as received from NSDL and CDSL on specified date for the purpose, being Friday February 10, 2017 by modes as prescribed under Companies (Management and Administration) Rules, 2014. The Notice of the Meeting is also posted on the website of the Company- www.sainikfinance.com
3. In terms of Section 108, 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 ("the CMA Rules") and Regulation 44 of the SEBI (Listing Obligations and Disclosure

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Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the item of business given in the notice through electronic voting system, to all shareholders through the e-voting platform provided by National Depository Services Limited (NSDL). The members may cast their votes on electronic voting system.

4. As per CMA Rules, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot alongwith Postal Ballot Form through post. The members who have not received postal ballot forms may apply to the Company and obtain a duplicate thereof or down load it from the Company's website;
5. Members are requested to notify change in address and email id if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No and in case of physical shares to the Registrar and Transfer Agent of the Company- Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi - 110015 email ID: bharat.b@indusinvest.com ("RTA") quoting their folio numbers.
6. The Company is pleased to offer its e-voting facility as an alternate to all its members to enable them to cast their votes electronically instead of casting their vote through Postal Ballot Form (PBF). The Company has entered into an agreement with NSDL for facilitating e-voting to enable the members to cast their votes electronically. If a member has opted for e-voting then he/she should not cast his/her vote through physical PBF and vice-a- versa. In case, a Member cast his/her votes through e-voting and also through PBF, then voting done through e-voting shall prevail and voting received through PBF shall be treated as invalid.
7. The notice of Postal Ballot / e-voting is dispatched / emailed to the members whose names appear on the Register of Members as on Friday, February 10, 2017 and voting rights shall be reckoned on the basis of paid up value of the shares registered in the name of the members as on the said date.
8. Please carefully read and follow the instructions on postal ballot and e-voting described in this Notice and on the Postal Ballot Form ("**PBF**") for respective mode of voting.
9. Members are requested to send the PBF duly completed in all respects and signed in the attached self-addressed postage pre-paid business reply envelope so as to reach the Scrutinizer before 5.00 p.m. on Saturday, March 25, 2017. Envelopes containing PBF, if deposited in person or sent by courier at the expenses of the Member(s) will also be accepted. Any **PBF** received from any members beyond 5.00 p.m. on Saturday, March 25, 2017 will not be valid and the voting shall be treated as invalid.
10. **The e-voting period will commence at 9.00 A.M (IST) on Friday, February 24, 2017 and will end at 5.00 P.M. (IST) on Saturday, March 25, 2017.** The e-voting shall be disabled by NSDL at 5.00 P.M. on Saturday, March 25, 2017. Once the vote on a resolution is cast by the members, the member shall not be allowed to change it subsequently.
11. Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives as explained in point no. 12A (xii) below.
12. The procedure and instructions for voting through electronic means are as follows:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - i. Open email and open PDF file viz; "SFIL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on Shareholder - Login
 - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select "EVEN" of Sainik Finance & Industries Limited.
 - viii. Now you are ready for remote e-voting as Cast Vote page opens
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

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- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **r.gulati64@gmail.com** or with a copy marked to **evoting@nsdl.co.in**.
- B. In case of Members receiving Postal Ballot Form by Post [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- i. User ID and initial password is provided in the Postal Ballot Form.
 - ii. Please follow all steps from Sr. No. 12A (ii) to (xi) above, to cast your vote.
- C. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote
13. In case of queries or grievances connected with the facility of e-voting by electronic means the members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members at the Downloads section of www.evoting.nsdl.com or call toll free no: 1800222990 or contact the Company's RTA or Sh. Jagdish Chand, CFO, Sainik Finance & Industries Limited, 7th Floor, Corporate Office Tower, Ambience Mall, N.H.-8, Gurgaon - 122002 - e-mail at legal.secretarial@sainikmining.com
14. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS PURSUANT TO SECTION 102 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013

Item Nos.1 & 2:

The Company borrowed or intends to borrow monies over and above the aggregate of its paid-up share capital and free reserves. However, in terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 ('the Act'), the Board of Directors shall not, except with the consent of the Company by way of Special Resolution, borrow money together with the money already borrowed, if any (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) exceeding the aggregate of the paid-up share capital and free reserves. Accordingly, it is proposed to obtain the Members' approval by way of Special Resolution(s) to enable the Board of Directors to borrow money upto Rs.500 Crore (Rupees Five Hundred Crore only).

Keeping in view, the growth in the turnover and increase in overall business activities of the Company and to meet fund requirements, the Board of Directors had, in its meeting held on February 8, 2017 considered and approved subject to the approval of the shareholders the Company, the borrowing limit upto Rs.500 Crores (Rupees Five Hundred Crores Only). Accordingly, it is necessary to obtain the approval of the Members by means of special resolutions, to enable the Board of Directors of the Company to: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company upto Rs. 500 Crores; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/ Financial Institutions, other investing agencies/ trustees for the holders of debentures/ bonds, etc. to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) for an amount not exceeding Rs.500 Crores.

In view of the above, the members' approval is required pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 by way of special resolutions. Your Directors, therefore, recommend the resolutions as set out in item nos. 1 & 2 of the Notice for your approval.

None of the Director, Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution except as members of the Company.

The Board commends the resolutions for approval of the Members as Special Resolution(s).

**By Order of the Board
For Sainik Finance & Industries Limited**

Place: Gurgaon
Date: 8th February, 2017

**Rudra Sen Sindhu
Director
DIN : 00006999**