

SAINIK FINANCE & INDUSTRIES LIMITED

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

E-mail: info@sainik.org Website: www.sainikfinance.com

Telephone No.: 011-28315036/0124-2719000 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 provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification and re-enactment(s) thereof for the time being in force, and pursuant to other applicable laws and regulations, that the Resolutions appended below are proposed to be passed by the members of the Company as Ordinary Resolutions by way of Postal Ballot/ e-voting. Pursuant to Section 102 to 110 of the Act, the Explanatory Statement pertaining to the proposed resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot form for your consideration.

The Board of Directors of the Company has appointed Sh. Rajesh Gulati (Membership No. FCA89046) 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 **Thursday, March 12, 2020**, 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 will submit his report to the Chairman or any other person authorized by the Board of Directors after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or any other officer of the Company duly authorized, on or before **Saturday, 14th day of March, 2020** at the Corporate Office at 7thFloor, Office Tower, Ambience Mall, N.H.-48, Gurugram (Haryana) –122002 India and will be displayed on the website of the Company i.e. www.sainikfinance.com, besides being communicated to the stock exchanges, depository, registrar and share transfer agent on the said date.

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. **Thursday, March 12, 2020**.

PROPOSED RESOLUTIONS

Item No. 1

APPROVAL FOR SALE / TRANSFER OF LAND TO INDUS AUTOMOBILES PRIVATE LIMITED, A RELATED PARTY PURSUANT TO THE PROVISIONS OF SECTION 188 OF THE COMPANIES ACT, 2013 AND REGULATION 23 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (herein after referred to as “the Listing Regulations”) and pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), if and to the extent applicable and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment(s)),the consent of the members / shareholders of the Company be and is hereby accorded to the Board of Directors (herein referred to as “the Board” which term shall include any Committee thereof) for approval of material related party transaction entered or to be entered by the Company with Indus Automobile Private Limited, a related party as defined under section 2(76) of the Act, for effecting the sale and transfer of the Company’s entire land including building constructed thereon situated at village - Jaliawas, P.O.-Suthana, Tehsil- Bawal, District- Rewari (Haryana) in favour of Indus Automobiles Private Limited at a fair value not less than Rs.6.44 Crores on arm length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby, severally, authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.”

Item No. 2

APPROVAL FOR GRANTING/PROVIDING INTER CORPORATE LOAN & ADVANCES TO SAINIK MINING AND ALLIED SERVICES LIMITED, A RELATED PARTY PURSUANT TO THE PROVISIONS OF SECTION 188 OF THE COMPANIES ACT, 2013 AND REGULATION 23 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended (herein referred to as “the Listing Regulations”) and pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”); if and to the extent applicable and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment(s)),the consent of the members/ shareholders of the Company be and is hereby accorded to the Board of Directors (herein referred to as “the Board” which term shall include any Committee thereof) for approval of the material related party transaction entered to be entered by the Company with Sainik Mining And Allied Services Limited (SMASL) related party” as defined in Section 2(76) of the Act, for giving/providing inter-corporate loans and advances not exceeding of Rs.50,00,00,000/- (Rupees Fifty Crore only) in one or more tranches, on the such other terms and conditions as the Board may decide

from time to time and as briefly mentioned in the explanatory statement to this resolution, provided that the amount of inter-corporate loans & advances that may be given by the Company to SMASL and remaining outstanding at any point of time shall not exceed Rs.50,00,00,000/- (Rupees Fifty Crore only) .

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto ”

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

Place: Gurugram

Date: 4th February, 2020

Rudra Sen Sindhu

Director

DIN 00006999

Notes:1

1. The explanatory statement as required pursuant to 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 7, 2020** by modes as sprescribed 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 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 download it from the Company’s website www.sainikfinance.com.
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 d.kataria@indusinvest.com (RTA) or legal.secretarial@sainikmining.com (the Company) by mentioning his/ her Folio/DP ID & Client ID.

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 the 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 7, 2020** 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 **PBF** for respective mode of voting.
9. **The e-voting period will commence at 9.00 A.M (IST) on Wednesday, February 12, 2020 and will end at 5.00 P.M. (IST) on Thursday, March 12, 2020.** The e-voting shall be disabled by NSDL at 5.00 P.M. on Thursday, March 12, 2020. Once the vote on a resolution is cast by the members, the member shall not be allowed to change it subsequently.
10. 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 Thursday, March 12, 2020. 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 Thursday, March 12, 2020 will not be considered and the voting shall be treated as invalid.
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 below.
12. The procedure and instructions for voting through electronic means are as follows:

Following are two steps to vote electronically on NSDL e-Voting system:

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

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

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

4) Your User ID details are given below :

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

5) Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the initial password which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6) If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat- account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

7) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

8) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

- 9) Now, you will have to click on “Login” button
- 10) After you click on the “Login” button, Home page of e-Voting will open.

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

- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- 3) Select “EVEN” of company for which you wish to cast your vote.
- 4) Now you are ready for e-Voting as the Voting page opens.
- 5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- 6) Upon confirmation, the message “Vote cast successfully” will be displayed.
- 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990

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 viz. Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi -110015 email d.kataria@indusinvest.com or Sh. Jagdish Chandra, CFO, Sainik Finance & Industries Limited, 7th Floor, Corporate Office Tower, Ambience Mall, N.H.-48, Gurugram – 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).

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

Place: Gurugram
Date: 4th February, 2020

Rudra Sen Sindhu
Director
DIN- 00006999

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

Item No. 1:

The members of the Company are requested to note that section 188(1) of the Companies Act, 2013 (“the Act”) read with the relevant Rules made thereunder requires any transaction entered into between related parties for ‘selling or otherwise disposing of, or buying, property of any kind’ where the amount involved exceeds 10% of or more of the net worth of the Company to be approved by the members/ shareholders of the Company by way of an ordinary resolution.

The members of the Company are also requested to note that the Company being a listed company must follow the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”). Pursuant to the provisions of Regulation 23 of “SEBI Regulations, any transactions with related party having monetary value exceeding of 10% of turnover of the Company as per the last audited financial statements of the Company would be considered a Material Related Party Transactions. All Material Related Party Transactions will require approval of the members by way of an ordinary resolution.

The Company proposes to sale / transfer its entire land including building constructed thereon situated at village-Jaliawas, P. O.-Suthana, Tehsil- Bawal, District–Rewari (Haryana) to Indus Automobiles Private Limited, a related party for a consideration not less than Rs.6.44 Crores. Since the aggregate value of this transaction exceeds 10% of turnover of the Company as well as net worth of Company as per the last audited financial statements of the Company, hence the said transaction would be considered as Material Related Party Transaction for the purpose of provisions of Section 188 of the Act and Regulation 23 of SEBI Regulations and will thus require approval of the members of the Company through an ordinary resolution.

The Audit Committee and Board of Directors in their respective meetings held on 4th February, 2020 have reviewed and approved major terms & conditions of this transaction and recommended to the members / shareholders for their approval by way of passing of an ordinary resolution.

The following disclosures for sale / transfer of property to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rule, 2014:

Name of Related Party	Indus Automobiles Private Limited
Name of the Director / KMP who is related and nature of relationship	Rudra Sen Sindhu, Director of the Company and his relative are also shareholders of Indus Automobiles Private Limited
Nature, material terms, monetary value and particulars of the contract or arrangement	The Company propose to sell or transfer its entire land including building constructed thereon situated at village - Jaliawas, P. O.-Suthana, Tehsil-Bawal, District–Rewari (Haryana) to Indus Automobiles Private Limited for a consideration not less than Rs. 6.44 Crores. This transaction with Related party is at arm’s length basis.
Any other information relevant or important for the members to take a decision on the proposed resolution	Presently the Company is concentrating on business of making investment and providing loan & advances to others. In order to create liquidity of funds and expend investment and financing business, the Company intends to sell its land and buildings situated at Rewari (Haryana).

Except Mr. Rudra Sen Sindhu, Director of the Company, none of the Directors or KMP or their relatives are related or concerned or interested, financially or otherwise in the resolution.

The Board accordingly recommends the Ordinary Resolution set out at Item No.1 of the accompanying Notice for approval of the Members.

Item No.2:

The members of the Company are requested to note that pursuant to provisions of Section 188 of the Companies Act, 2013 (“Act”) read with the relevant Rules made there under and pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), any transactions with related party having monetary value exceeding of 10% of turnover of the Company as per the last audited financial statements of the Company would be considered a Material Related Party Transactions. All Material Related Party Transactions will require approval of the members through an ordinary resolution.

The Company is Non-Banking Finance Company registered with Reserve Bank of India and engaged in investment and finance business. The Company intends to enter into with related party transactions to provide or grant inter corporate loan & advance aggregating to an amount not exceeding to Rs.50,00,00,000/- (Rupees Fifty Crores only) in one or more trenches to Sainik Mining and Allied Services Limited (SMASL), a related party defined under section 2(76) of the Act, on such terms and conditions as the Board may decide from time to time, provided that the amount of Inter Corporate Loan & advances that may be given by the Company to SMASL and remaining outstanding at any point of time shall not exceed Rs.50,00,00,000/- (Rupees Fifty Crores only). Such related parties transactions to be entered are in ordinary course of business and are on an arm’s length basis.

Even though the provisions of Companies Act, 2013 read with rules made thereunder regarding related party transactions do not attract to the above said transaction because this transaction is in ordinary course of business and on an arm’s length basis but this transaction may become a material related party transaction pursuant to the provisions of Regulation 23 of SEBI Regulations, i.e. monetary value of Inter Corporate Loans & advances is more than 10% of turnover of the Company. Therefore the approval of the shareholders/ the members is being sought by way of passing an ordinary resolution in compliance of Regulation 23 of SEBI Regulations to enter into such related party transactions.

The Audit Committee and Board of Directors in their respective meeting held on 4th February, 2020 have reviewed and approved major terms & conditions of this transaction and recommended to the members for their approval by way of an ordinary resolution. The other related information as envisaged under provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rule, are furnished hereunder:

Name of Related Party	Sainik Mining and Allied Services Limited (SMASL)
Name of the Director / KMP who is related and nature of relationship	Rudra Sen Sindhu and Kuldeep Singh Solanki, Directors and Promoters of the Company and their relatives are also Directors and Shareholders of Sainik Mining and Allied Services Limited
Nature, material terms, monetary value and particulars of the contract or arrangement	The Company propose to provide Inter Corporate Loan & Advances to SMASL aggregating to an amount not exceeding to Rs.50,00,00,000/- (Rupees Fifty Crores only) in one or more trenches at the Rate of Interest of 12.5.% p.a. Such Inter Corporate Loan & Advances shall be repayable on demand.
Any other information relevant or important for the members to take a decision on the proposed resolution	Such related parties transactions to be entered are in ordinary course of business and are on an arm’s length basis.

None of the Director or Key managerial personal of the Company and their relatives, other than Mr. Rudra Sen Sindhu and Mr. Kuldeep Singh Solanki and their relatives, are concerned or interested, financially or otherwise, in this Resolution.

The Board accordingly recommends the Ordinary Resolution set out at Item No.2 of the accompanying Notice for approval of the Members.

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

Place: Gurugram

Date: 4th February, 2020

Rudra Sen Sindhu
Director
DIN- 00006999