

HIL LIMITED

(CIN : L74999TG1955PLC000656)

Registered Office: Office No 1 & 2, 7th Floor, SLN Terminus, Sy No 133, Gachibowli, Hyderabad - 500032

POSTAL BALLOT NOTICE

Notice is hereby given pursuant to Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 ("SEBI ESOP Regulations") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) of the Act or Rules or SEBI ESOP Regulations or Listing Regulations, as the case may be, for the time being in force) that the Special Resolution as set out in this Postal Ballot Notice ("Notice") are proposed to be passed by the shareholders of HIL Limited (the "Company") by means of Postal Ballot including Electronic Voting ("e-voting").

The explanatory statement pursuant to Section 102 of the Act setting out the material facts pertaining to said resolution(s) along with a Postal Ballot Form is also appended with this Notice. The Board of Directors of the Company has appointed Mr. Mohit Gujar, of M/s. PS Rao & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot voting process for both Physical ballots and e-voting in a fair and transparent manner. You are requested to peruse the proposed resolutions along with the explanatory statement and carefully read the instructions that form part of this Notice and return the Postal Ballot Form in original duly filled and signed (at the marked places in the Postal Ballot Form) indicating your **Assent (FOR/ IN FAVOR)** or **Dissent (AGAINST/NOT IN FAVOR)** for the said resolutions.

In compliance with the provisions of Section 108 and 110 of the Act read with the Rules and the Listing

Regulations, the Company is pleased to extend e-voting facility as an alternative, to enable the shareholders to cast their votes electronically in addition of through the Postal Ballot Form(s). For the purpose of e-voting, the Company has engaged the services of National Securities Depository Limited ("NSDL"). Shareholders have the option to vote either by means of physical Postal Ballot Form or through e-voting.

Shareholders desiring to exercise their vote by means of physical Postal Ballot Form are requested to carefully read the instructions given in this Notice and Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed postage pre-paid Business Reply Envelope so as to reach the Scrutinizer not later than 5:00 p.m. (IST) on **October 3, 2019**. Postal Ballot Forms received after 5:00 p.m.(IST), **October 3, 2019** will be strictly treated as reply from the concerned shareholder has not been received.

Shareholders desiring to opt for the e-voting facility are requested to read carefully the related notes to this Notice and instructions given thereunder. In case a shareholder has voted through e-voting facility, he/she is not required to send the physical Postal Ballot Form to the Scrutinizer. After completion of scrutiny of the Postal Ballot Forms and e-voting, the Scrutinizer will submit his report to the Managing Director & CEO or Chief Financial Officer or Company Secretary & Financial Controller or any other authorized officer of the Company. The E-Voting commences from **September 4, 2019, 9:00 AM and closes on October 3, 2019 at 5:00 PM**.

The results of the voting conducted through Postal Ballot (including e-voting) will be announced within 48 hours from the closure of the voting period at the Corporate

Office at Office No 1 & 2, 7th Floor, SLN Terminus, Sy No 133, Gachibowli, Hyderabad - 500032 ("Corporate Office") of the Company and the same along with the Scrutinizer's Report on the Company's website, www.hil.in, as well as on NSDL's website, www.evoting.nsdl.com. The results will simultaneously be communicated to the stock exchanges where the shares of the Company are listed.

PROPOSED RESOLUTION:

Item No 1: Approval for "HIL Limited Employee Stock Option Scheme-2019" for the employees of the Company.

To consider and to give assent / dissent for passing the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014 read along with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (the "SEBI ESOP Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Foreign Exchange Management Act, 1999, ("FEMA") (including any statutory amendment(s), modification(s) or re-enactment of the Act or the SEBI ESOP Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force), the Memorandum and Articles of Association of the Company, any other rules, regulations and guidelines issued by any other regulatory or government authority and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms, conditions, modifications and amendments as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee thereof, including the Nomination and Remuneration cum compensation Committee ("Remuneration Committee") or any other committee which the Board may constitute/designate to act as the 'Nomination & Remuneration cum Compensation Committee' under the SEBI ESOP Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to adopt, introduce and implement the '**HIL Limited Employee**

Stock Option Scheme-2019' (the "**ESOS Scheme**") the salient features of which are furnished in the explanatory statement annexed hereto".

"RESOLVED FURTHER THAT consent of the shareholders of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, to or for the benefit of, such persons who are employees of the Company, whether working in India or outside India, and/or to the Directors of the Company, whether whole-time or not but excluding Independent Director(s), (selected on the basis of criteria decided by the Board) under the ESOS Scheme but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his / her relatives or through any body-corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, such number of Stock Options (the "Options" or "Stock Options") not exceeding 1,50,000 (One Lac Fifty Thousand) convertible into equivalent number of equity shares (or such other number adjusted for change in capital structure or corporate actions in terms of ESOS Scheme as per applicable law), at such price and on such terms and conditions as may be fixed or determined by the Board/or delegated to any of its committees in its sole and exclusive discretion".

"RESOLVED FURTHER THAT pursuant to the provisions of the Act, SEBI ESOP Regulations, Listing Regulations, FEMA (including any statutory amendment(s), modification(s) or re-enactment of the Act or the SEBI ESOP Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force) and other rules, regulations and guidelines, if any, Memorandum and Articles of Associations of the Company, consent of the shareholders be and is hereby accorded to create, offer, issue and allot (including delegation of allotment to any of its Committees) at any time 1,50,000 (One Lac Fifty Thousand) equity shares of Rs. 10/- each (the "Equity Shares") (or such other number adjusted for change in capital structure or corporate actions in terms of ESOS Scheme as per applicable law), upon exercise of Stock Options at such price, in one or more tranches and on such terms and conditions including vesting criteria, as may be fixed or determined by the Board in its sole and exclusive discretion".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and implement the ESOS Scheme on the terms and conditions contained therein and stated in the explanatory statement annexed hereto including

instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees and Directors of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOS Scheme and as the Board may in its absolute discretion think fit, subject to applicable laws and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the ESOS Scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule, vesting conditions, withdraw or revive the ESOS Scheme, as the Board may, in its absolute discretion, think fit, subject to applicable laws”.

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganisation of capital structure of the Company, as the case may be, the number of Stock Options and/or the shares to be allotted upon exercise of Stock Options shall be reasonably adjusted in accordance with the provisions of the ESOS Scheme and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOS Scheme”.

“RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company upon the exercise of Stock Options, shall rank pari-passu in all respect including dividend with then existing Equity Shares of the Company”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to make any variation, amendment, modification or alteration in the ESOS Scheme, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the SEBI ESOS Regulations, Listing Regulations and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the ESOS Scheme”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted under the ESOS Scheme on the Stock Exchanges, where the Equity Shares of the

Company are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations”.

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI ESOP Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOS Scheme”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things including the appointment of or authorizing or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, merchant bankers, valuers, consultants or representatives, being incidental to the effective implementation and administration of the ESOS Scheme, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the shareholders of the Company to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOS Scheme and to take all such steps and do all such acts as may be incidental or ancillary thereto”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred herein, to any committee of the Board of Directors, with power to further delegate such powers to any executives/ officers of the Company, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

Dated: **12th August 2019**

By Order of the Board
For **HIL Limited**

Registered Office:
Office No 1 & 2, L7 Floor,
SLN Terminus,
Survey No. 133,
Near Botanical Gardens,
Gachibowli,
Hyderabad -500032,

G Manikandan
Company Secretary &
Financial Controller

NOTES:

1. The Explanatory Statement for the proposed special resolutions, pursuant to Section 102 read with Section 110 of the Act, is appended to the Notice.
2. A copy of this notice has been placed on the website of the Company www.hil.in/investors
3. In compliance with the provisions of Section 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide e-voting facility to the Shareholders to exercise their votes electronically and vote on the resolution through the e-voting service facility arranged by NSDL.
4. The Postal Ballot Notice is being sent to the Shareholders of the Company whose names appear on the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on **Friday, August 23, 2019 ("Cut Off Date")**. The Postal Ballot Notice is being sent to the Shareholders in electronic form to the email addresses registered by them with the depository participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Shareholders whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope.
5. Shareholders whose names appear on the Register of Members/ List of Beneficial Owners as on **Friday, August 23, 2019** will be considered for the purpose of voting.
6. The Board of Directors of the Company has appointed Mr. Mohit Gujar, of M/s. P S Rao & Associates, Practicing Company Secretaries, as the scrutinizer for conducting the postal ballot voting process including e-voting in a fair and transparent manner.
7. Shareholders who have received the Postal Ballot Notice by e-mail and wish to vote through Physical Form may download the Postal Ballot Form along with instructions and manner of e-voting process from the Company's website, www.hil.in and send the duly completed and signed Postal Ballot Form to the scrutinizer **Mr. Mohit Gujar of M/s. P S Rao & Associates, Practicing Company Secretaries, Flat No. 106, First Floor, Nirmal Tower - 200, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082** so as to reach on or before 5:00 p.m. (IST) on **Thursday, October 3, 2019**.
8. Shareholders desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed postage prepaid self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than 5:00 p.m. (IST) on Thursday, October 3, 2019. The postage will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted. Any Postal Ballot received after 5:00 p.m. (IST) on Thursday, October 3, 2019, will be strictly treated as no reply was received from the concerned Member.
9. The e-voting period commences on **Wednesday, September 4, 2019 at 9.00 a.m. and ends on Thursday, October 3, 2019 at 5.00 p.m.** During this period, Shareholders of the Company, holding equity shares either in physical form or in dematerialized form, as on the Cut-Off date i.e. **Friday, August 23, 2019**, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL after the aforesaid date and time for voting. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
10. All the material documents, referred to in the Notice, including the copy of HIL ESOS Plan, is available for inspection by the Shareholders at the registered office (copies thereof will also be available for inspection at the Registered Office of the Company) of the Company between 11:00 a.m. to 1:00 p.m. on all working days (except Saturdays and Sundays), upto and including the last date of voting on the Postal Ballot.

11. Please follow all the steps below, to cast your vote.
 - a. As per the Rules, Notice of the Postal Ballot may be served on the Shareholders through electronic transmission. Notice of Postal Ballot and Postal Ballot Form are being sent electronically to all the Shareholders whose e-mail addresses are registered with the Company/Depository Participant(s). In respect of others, these documents are being sent by permitted mode of dispatch.
 - b. Kindly note that the Shareholders can opt for only one mode of voting i.e. either physical Postal Ballot Form or e-voting. If you are opting for e-voting, please do not vote by physical Postal Ballot Form and vice versa. However, in case a Shareholder casts his vote by physical Postal Ballot Form and also by e-voting, voting done by valid e-voting shall prevail and voting done through Postal Ballot Form will be treated as invalid.
 - c. Shareholders whose names appear on the Register of Members / List of Beneficial Owners as on the Cut-off Date will be considered for the purpose of voting / e-voting. A person who is not a Shareholder as on the Cut-off Date should treat this Notice for information purpose only. Voting rights shall be reckoned on the paid up value of the equity shares registered in the name of the Shareholders of the Company as on the Cut-off Date.
 - d. The scrutinizer's decision on validity of the Postal Ballot shall be final.
 - e. The scrutinizer will submit his report after completion of scrutiny of Postal Ballot Forms and e-voting, to the Managing Director & CEO or Chief Financial Officer or Company Secretary & Financial Controller or any other authorized officer of the Company, who will declare the results of voting by Postal Ballot on or before **October 5, 2019** at the Registered Office of the Company.

The results of the Postal Ballot will also be communicated to the Stock Exchanges. The results along with the Scrutinizer's Report will also be displayed on the Company's website, www.hil.in as well as on the NSDL website, www.evoting.nsdl.com.
 - f. The resolutions will be taken as passed effectively on the last date of receipt of Postal Ballot Forms / e-voting i.e. **Thursday, October 3, 2019**, if the results of the Postal Ballot indicate that the requisite majority of the Shareholders of the Company have assented to the resolutions.
12. The instructions for e-voting are as under:
 - a. In compliance with provisions of Section 110, 108 of the Companies Act, 2013, 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, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered through postal ballot 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 ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - b. The remote e-voting period commences on **Wednesday, September 4, 2019 (9:00 am) and ends on Thursday, October 3, 2019 (5:00 pm)**. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday August 23, 2019** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members hold 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 to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf

file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mohitkamdar@yahoo.co.in with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013:

Item 1:

Your Company believes that employees form an integral part of the organization for sustained growth and strive to create a work environment that fosters high performance culture. In today's competitive world, equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan.

Your Company fully recognizes the same and therefore wants its employees to participate and share the fruits of growth and prosperity along with the Company and intends to reward, attract, motivate and retain employees and Directors of the Company for their high level of individual performance and for their efforts to improve the financial performance of the Company with the objective of achieving sustained growth of the Company and creation of shareholders value by aligning the interests of the eligible employees with the long-term interests of the Company.

With the above objective, the Board of Directors of the Company [hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration cum compensation Committee ("Remuneration Committee") constituted by the Board or any other Committee which the Board may constitute / designate to act as the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations")] has, pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014 read along with the provisions of the SEBI ESOP Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Foreign Exchange Management Act, 1999, the Memorandum and Articles of Association of the Company, proposed 'HIL Limited Employee Stock Option Scheme 2019' ("HIL ESOS 2019" or "ESOS Scheme"). The ESOS Scheme has

been formulated in accordance with the SEBI ESOP Regulations. The terms and broad framework of the ESOS Scheme has been approved by the Board of Directors of the Company at their meeting held on August 12, 2019.

Under the ESOS Scheme, the eligible employees shall be granted employee Stock Options in the form of Options ("Options" or "Stock Options") which will be exercisable into equity shares of Rs. 10/- each of the Company (the "Equity Shares"). The maximum number of Equity Shares to be issued and allotted under the ESOP Scheme shall be limited to 1,50,000 (One Lac Fifty Thousand) Equity Shares of the Company representing 2% of the current paid-up equity shares of the Company. The ESOS Scheme will be administered by the Nomination & Remuneration cum Compensation Committee of the Board constituted pursuant to the provisions of Section 178 of the Act.

The salient features, relevant disclosures and details of the ESOS Scheme are as follows:

a. Brief description of the ESOP Scheme

ESOS Scheme is intended to reward, attract, motivate and retain eligible employees and Directors of the Company for their high level of individual performance and for their efforts to improve the financial performance of the Company with the objective of achieving sustained growth of the Company and creation of shareholders' value by aligning the interests of the eligible employees with the long-term interests of the Company.

b. Total number of Stock Options to be granted

The total number of Stock Options that may in aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 1,50,000 (One Lac Fifty Thousand) Equity Shares of Rs. 10/- each, being 2% of the paid-up equity shares of the Company.

Upon exercise, each Stock Option entitles the relevant grantee to one Equity Share (i.e. one Stock Option will entitle the grantee to one Equity Share). In

case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other re-organisation of capital structure of the Company, as the case may be, the number of Stock Options and / or the Equity Shares to be allotted upon exercise of Options shall be reasonably adjusted as per the provisions of the ESOS Scheme and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the eligible employees who have been granted Stock Options under the ESOS Scheme.

Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying Equity Shares will be available for grant under the present ESOS Scheme or under a new scheme, subject to compliance with applicable laws.

c. Identification of classes of employees entitled to participate in the ESOS Scheme

Following classes of employees, who are in the management cadre, shall be eligible to participate in the ESOS Scheme:

- i. A permanent employee of the Company, working in India or outside India;
- ii. Directors of the Company whether whole time or not but excluding an Independent Director; or
- iii. an employee as defined in (i) or (ii) above of a subsidiary (future subsidiary, if any), in India or outside India, or of a holding company of the Company (if any).

Following persons are not entitled to participate in the ESOS Scheme:

- i. an employee who is a promoter or a person belonging to the promoter group; or
- ii. a Director who either himself/herself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Company.

The eligibility of an employee shall be determined by the Nomination & Remuneration cum Compensation Committee as per the eligibility criteria as may be determined by the Board/ Remuneration Committee.

d. Requirements of vesting, period of vesting and maximum period within which the Options shall be vested

The Board or the Remuneration Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Stock Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, and which may be specified in the respective grant letters / award agreement or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest will be subject to the minimum and maximum vesting period as specified below.

Vesting period for Options: The Options would vest not earlier than one year or such time period as may be prescribed under the Applicable Law including but not limited to SEBI (SBEB) Regulations or such other period as may be determined by the Remuneration Committee.

The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Remuneration Committee. The Options granted under the Scheme may vest in one or more tranches.

e. Exercise price or pricing formula

Subject to SEBI Regulations, the Nomination & Remuneration cum Compensation Committee shall determine the Exercise Price of the Options Granted under the Plan, as it may deem appropriate in conformity with the applicable accounting policies, if any, provided that the Exercise Price shall not be less than the face value of the Shares and not higher than the prevailing Market Price (on Stock Exchange with highest volume) of the Shares of the Company as on the Grant Date as discounted by 20% or such other lesser percentage as may be determined by the Nomination & Remuneration cum Compensation Committee in its absolute discretion. Exercise Price will be intimated to the Option Holder through the Grant Letter/Award Agreement. No amount shall be payable at the time of Grant of Options. The Exercise Price shall be subject to any fair and reasonable adjustments that may be made on account of Corporate Actions of the Company in order to comply with the SEBI Regulations.

f. Exercise period and the process of exercise

Exercise period would commence from the vesting date and would expire not later than four years from the date of vesting of Options or such other period as may be decided by the Remuneration Committee. If the Options are not exercised within the exercise period they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the Option holder towards such lapsed Options.

An employee may exercise the vested Options within the exercise period by submitting a written exercise application to the Company accompanied by the payment of an amount equivalent to the exercise price in respect of such Shares and in such manner and on execution of such other documents, as may be prescribed by the Remuneration Committee from time to time.

g. The appraisal process for determining the eligibility of employees.

The appraisal process for determining the eligibility of the employees will be specified by the Board or

the Remuneration Committee from time to time, and will be based on criteria, such as level, role / criticality of the employee, length of service with the Company, work performance, and such other criteria that may be determined by the Board or the Remuneration Committee, as applicable, at its sole discretion.

The Board or the Remuneration Committee may decide to extend the benefits of the ESOS Scheme to new entrants or to existing eligible employees on such basis as it may deem fit, in accordance with applicable law.

h. Maximum number of Stock Options to be issued per employee and in aggregate

The maximum number of Stock Options to be granted to any eligible employee shall be decided by the Board or Remuneration Committee. However, the number of Stock Options that may be granted to a single eligible employee, under the ESOS Scheme during any particular financial year shall be less than 1% of the paid-up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/ re-organisation of capital structure or corporate actions of the Company from time to time).

The aggregate of all such Stock Options shall not result into more than 1,50,000 (One lac fifty Thousand) Equity Shares at any time which shall be adjusted in lieu of corporate actions, adjustments/ re-organisation of capital structure of the Company from time to time.

i. Maximum quantum of benefits to be provided per employee under the ESOS Scheme

The maximum quantum of benefits underlying the Stock Options granted to an eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Stock Option Exercise Price and the Market Price of the Equity Shares on the exercise date.

j. Lock-in period, if any

There is no lock in period.

- k. **Whether the ESOS Scheme is to be implemented and administered directly by the Company or through a trust**

The Company shall directly implement and administer the ESOS Scheme through the Board / the Remuneration Committee.

- l. **Whether the ESOS Scheme involves issue of new Equity Shares by the Company or secondary acquisition or both**

ESOS Scheme contemplates only issue of new shares by the Company.

- m. **The amount of loan to be provided for implementation of ESOS Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.**

Not Applicable. The Company will not provide any loan for implementation of ESOS Scheme to any trust.

- n. **Maximum percentage of secondary acquisition that can be made by the trust for the purpose of the ESOS Scheme**

Not Applicable

- o. **Method of Stock Options' valuation**

The Company shall use the fair value method or such valuation method as may be prescribed from time to time in accordance with applicable laws for valuation of the Stock Options granted, to calculate the employee compensation cost.

- p. **Transferability of Stock Options**

The Stock Options granted to an eligible employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall vest in the legal heir(s) or nominee(s) of such Stock Option holder, in accordance with the provisions of the ESOS Scheme.

- q. **The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct and the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee.**

If an Option holder's employment is terminated with the Company for 'Cause' as specified in the ESOS Scheme (cause includes acts such as misconduct, fraud, misrepresentation etc. as detailed in the ESOP Scheme), then all the vested options (but not exercised) and unvested options shall lapse and be cancelled forthwith. The Company shall not have any obligation towards the Option holder with regard to such lapsed Options. If an Option holder's employment is terminated with the Company for any other reasons other than the 'Cause' (as specified in the ESOS Scheme), then all the unvested Options shall lapse on the date of termination / resignation / superannuation of the employee.

As regards the vested Options, the Option holder shall be entitled to exercise the vested Options within 3 (three) months from the date of termination / resignation/ superannuation, failing which such vested Options shall lapse and be cancelled forthwith.

There shall be no further obligation of the Company towards the Option holder with regard to lapsed Options.

- r. **Disclosure and accounting policies**

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI ESOP Regulations and those prescribed by the concerned authorities from time to time.

- s. **Other Terms**

The Board or Remuneration Committee shall have the absolute authority to vary or modify the terms of the ESOS Scheme in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India, including in terms

of the SEBI ESOP Regulations or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the ESOS Scheme.

Regulation 6(1) of SEBI ESOP Regulations requires that every employee stock option scheme shall be approved by the shareholders of the company by passing a special resolution in a general meeting. Further, as ESOS Scheme entails further issue of shares, consent of the shareholders is required by way of a special resolution pursuant to Section 62(1)(b) of the Act.

Accordingly, the Special Resolution set out at Item No. 1 of this Notice is proposed for approval by the shareholders.

The Options to be granted under the ESOS Scheme shall not be treated as an offer or invitation made to public for subscription of securities of the Company.

The ESOS Scheme conforms to the SEBI ESOP Regulations.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options under ESOP Scheme may be deemed to be concerned or interested in the Special Resolution at Item No. 1 of this Notice. Save as aforesaid, none of the Directors/ Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

The Board recommends Special Resolution mentioned in item no 1 of the Notice for approval of the shareholders of the Company.

Dated: **12th August 2019**

By Order of the Board
For **HIL Limited**

Registered Office:
Office No 1 & 2, L7 Floor,
SLN Terminus,
Survey No. 133,
Near Botanical Gardens,
Gachibowli,
Hyderabad -500032,

G Manikandan
Company Secretary &
Financial Controller

POSTAL BALLOT FORM

(Please read carefully the instructions printed overleaf before exercising the vote)

1. Name & Registered Address of the
sole / first named Shareholder

2. Name(s) of the joint Shareholder, if any

3. Registered Folio No. / DP ID & Client ID

4. No. of shares held

I/We hereby exercise my/our vote in respect of the Special resolution to be passed through postal ballot for the business stated in the Notice of postal ballot dated August 12, 2019 issued by the Company by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below :

Item No.	Description of the Resolution	No. of Equity Share(s) held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special resolution - Approval for Birlasoft Share Incentive Plan-2019 for the employees of the Company			

Place:

Date: (Signature of the Member/Authorised Representative)

ELECTRONIC VOTING PARTICULARS

E-voting facility is available at the <https://www.evoting.nsdl.com/> from Wednesday, September 4, 2019 (9:00 a.m. IST) to Thursday, October 3, 2019 (5:00 p.m. IST). The electronic voting particulars are set out as follows:

Even (E-voting Event Number)	User ID	Password / PIN

NOTE: Please read the instructions printed overleaf carefully before exercising your vote through this Postal Ballot Form.

GENERAL INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted). The duly completed Postal Ballot Form should reach the Scrutinizer, in the enclosed self-attested business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by the courier or registered/speed post at the expense of the Member will also be accepted.
2. This form should be completed and signed by the Member/Authorised Representative (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his absence, by the next named Member.
3. Consent must be accorded by placing a tick mark [✓] in the column, 'I assent to the resolution' or dissent must be accorded by placing a tick mark [✓] in the column, 'I dissent to the resolution'.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. (IST) on Thursday, October 3, 2019 at Mr. Mohit Gujar at Flat No. 106, First Floor, Nirmal Tower - 200, Dwarakapuri Colony, Punjagutta, Hyderabad -500082. All Postal Ballot Forms received after this date and time will be treated as if reply from such member(s) has not been received.
5. There will be only one Postal Ballot Form for every Folio/Client ID irrespective of the number of Joint Member(s).
6. In case of shares held by companies, trust, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authority Letter, along with attested specimen signature(s) of the duly authorized signatory(ies) who is authorised to vote, failing which the Postal Ballot Form will be treated as invalid.
7. A member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. 5.00 p.m. (IST) on Thursday, October 3, 2019.
8. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on cut-off date i.e. Friday, August 23, 2019.
9. Members are requested not to send any other paper along with Postal Ballot Form in the enclosed self-addressed business reply envelope, as all such envelopes will be sent to Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. The exercise of vote under postal ballot process is not permitted through proxy.
11. The Scrutinizer's decision on the validity of the Postal Ballot will be final and binding.
12. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

The results of voting by Postal Ballot (i.e. through the Postal Ballot Forms and remote e-Voting) will be declared not later than 48 hours of conclusion of the voting through Postal Ballot by the Chairman of the Company or any other person authorized by her at the Registered Office. The results along with the Scrutinizer's Report will be displayed at the Registered Office of the Company. The results shall be communicated to the Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) and the same along with the Scrutinizer's Report will be displayed on the Company's website www.hil.in as well as on NSDL website www.evoting.nsdl.com.

The Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-Voting is optional. The detailed procedure for e-voting is a part of the Postal Ballot Notice. If the voting rights are exercised through e-voting, there is no need to use the Postal Ballot Form. In case the shareholders cast their vote by physical Postal Ballot as well as e-voting, then the voting done through valid e-voting shall prevail and the voting done by physical Postal Ballot will be treated as invalid.

A Postal Ballot Form shall be considered invalid if:

1. A form other than one issued by the Company has been used;
2. It has not been signed by or on behalf of the member of the Company;
3. Signature on the Postal Ballot Form does not match the specimen signatures of the member available with the Company;
4. It is not possible to determine without any doubt the assent or dissent of the Member;
5. Neither assent nor dissent is mentioned;
6. Any competent authority has given directions in writing to the Company to freeze the voting rights of the Member;
7. The envelope containing the Postal Ballot Form is received after the last date and time prescribed;
8. The Postal Ballot Form, signed in representative capacity, is not accompanied by a certified true copy of the relevant specific Authority;
9. It is defaced or mutilated in such a way that its identity as a genuine form cannot be established;
10. A Member has made any amendment to resolution or imposed any condition while exercising his vote.