FUTURE CONSUMER ENTERPRISE LIMITED

an integrated food & FMCG company

9th April, 2015

To,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Scrip Code: 533400

To,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051
Scrip Code : FCEL

Dear Sir / Madam,

Sub: Passing of Resolution by Postal Ballot

On the above subject, this is to inform you that, in terms of the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, consent of the Shareholders of the Company is being sought through Postal Ballot in respect of the following resolutions:

1. Alteration of Main Objects of the Memorandum of Association of the Company.
2. Approval for acquisition of shares of the Company under Future Consumer Enterprise Limited Employee Stock Option Plan 2014 by way of secondary market acquisition.

In terms of the provisions of the Listing Agreement, please find attached herewith three copies of Postal Ballot Notice as being sent to the Shareholders of the Company.

Kindly take the same on records and acknowledge receipt of the same.

Thanking you,

Yours truly,
For **Future Consumer Enterprise Limited**

Manoj Gagvani
Company Secretary & Head-Legal

Encl.: As above

FUTURE CONSUMER ENTERPRISE LIMITED

(formerly known as Future Ventures India Limited)

Corporate Identitiy Number (CIN): L52602MH1996PLC192090
Regd. Office: Knowledge House, Shyam Nagar, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
Tel. No: +91 22 3084 1300 Fax: +91 22 6199 5391 Email: investor.care@futureconsumer.in Website: www.futureconsumer.in

POSTAL BALLOT NOTICE

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

Dear Shareholder(s),

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, as amended from time to time (hereinafter referred to as the **"Rules"**), that the Special Resolution(s) in respect of matters as set out in accompanying Postal Ballot Notice are proposed to be transacted by way of Postal Ballot.

An explanatory statement pertaining to the said Resolution(s) setting out material facts in respect of the same is annexed hereto. This Postal Ballot Notice together with postal ballot form is being sent to you for your consideration.

Members who wish to cast their votes physically through postal ballot form are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before 10th May, 2015.

In accordance to the provisions of the Listing Agreement and that of the Rules, the Company is pleased to offer e-voting facility to its Shareholders. The Company has engaged National Securities Depository Limited **("NSDL")**, an agency authorized by the Ministry of Corporate Affairs **("MCA")** for providing e-voting platform. The procedure for e-voting is explained under the Notes provided with this Postal Ballot Notice.

1. **Alteration of Main Objects of the Memorandum of Association of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactments thereof, for the time being in force) and subject to such consents and approvals as may be required and also subject to such conditions that may be imposed by any authority while granting such consents and approvals which may be agreed to by the Board of Directors of the Company (the **"Board"**, which term shall be deemed to include its "Committee of Directors"), consent of the Shareholders of the Company **("Shareholders")** be and is hereby accorded to alter the main objects of the Memorandum of Association of the Company in the manner provided hereunder:

i) by substituting existing Clause III(a)(2) of the Object Clause of the Memorandum of Association with the following Clause III(a)(2):

To construct, build, establish, erect, promote, undertake, acquire, own, operate, transport, equip, manage, renovate, reconstruct, develop, set up, turn to account, maintain, keep, operate and run or engage into multiple food processing units, establishments, factories for manufacturing, processing, preparing, preserving, refining, buying, selling, packing, re-packing, directly or sub-contracting and otherwise dealing in any manner in all type of food and food related products including cereals, spices, masala, beverages, dairy products, milk products, convenience foods and processed foods of all kind and every description, all kind of fast moving consumer goods and products and providing or availing incidental and ancillary services in relation thereto and to act as buyer, seller, stockiest, distributor, dealer, importer, exporter or otherwise and to establish, promote, develop, acquire, license and manage multiple brands, trade name, trademarks and other intellectual property rights in relation to the business of the Company and to appoint franchisee, representative, distributor or otherwise within and outside India.

ii) by deleting existing Clause III(a)(3) of the Object Clause of the Memorandum of Association

iii) by re-numbering existing Clause III(a)(4) of the Object Clause of the Memorandum of the Association as Clause III(a)(3)

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders and the Board be and is hereby further authorized to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution."

2. **Approval for acquisition of shares of the Company under Future Consumer Enterprise Limited Employee Stock Option Plan 2014 by way of secondary market acquisition.**

To consider and if thought fit, to pass with or without modifications(s), 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 read with Rules framed there under (hereinafter referred to as **"Act"**), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (hereinafter referred to as **"SEBI SBEB Regulations"**) (including any modification(s) or re-enactment(s), statutory or otherwise, that may be carried out to either/all, which may be in force from time to time), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and in compliance to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee, including the Nomination and Remuneration /Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) and in furtherance to the approval granted by the Shareholders of the Company **("Shareholders")** to the Special Resolution(s) at Item No. 3 and 4 of the notice calling the Extra Ordinary General Meeting held on 12th January 2015, additional approval and consent of the Shareholders be and is hereby accorded to the Board to acquire, hold and deal in such number of equity shares of the Company **("Equity Shares")** by way of secondary market acquisition through Future Consumer Enterprise Employees Welfare Trust (hereinafter referred to as **"Trust"**), upto 7,98,00,000 (Seven Crore Ninety Eight Lakhs) fully paid-up Equity Shares (hereinafter referred as **"Secondary Shares"**) of face value of ₹ 6/- each, which shall be below the ceiling of 5% of the paid-up equity share capital as on March 31, 2015 as prescribed under the SEBI SBEB Regulations, for the purpose of implementation of the Future Consumer Enterprise Limited Employee Stock Option Plan 2014 (hereinafter referred to as the **"FCEL ESOP 2014"/ "Plan"**), or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the paid-up equity share capital as at the end of the financial year preceding the date of intended acquisition (or such other limits as may be prescribed under the SEBI SBEB Regulations) thereof.

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 7,98,00,000 (Seven Crore Ninety Eight Lakhs) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the Equity Shares acquired through secondary market acquisition by the Trust which are not backed by outstanding options/grants shall be appropriated/disposed off by the Trust within a reasonable time, not later than the end of the subsequent financial year or such other period as may be permissible and in a manner as may be decided by the Board.

RESOLVED FURTHER THAT in consequence to the aforesaid and pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Act, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014,SEBI SBEB Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary :

a) the first paragraph to the Explanatory Statement annexed with the Resolution at Item No 5 of the notice calling the Extra Ordinary General Meeting held on 12th January,2015, as approved by the Shareholders, shall stand amended by replacing the words/ phrase *"FCEL ESOP 2014 envisages primary issue of 3,19,50,000 (Three Crore Nineteen Lakhs Fifty Thousand) equity shares within the term of the Plan"* with the words / phrase and read as "*FCEL ESOP 2014 envisages primary issue of upto 3,19,50,000 (Three Crore Nineteen Lakhs Fifty Thousand) equity shares and enables additionally undertaking secondary market acquisition of upto 7,98,00,000 (Seven Crore Ninety Eight Lakhs) equity shares within the term of the Plan.*

b) the Special Resolution at Item 6 of the notice calling the Extra Ordinary General Meeting held on 12th January, 2015, as approved by the Shareholders for acquisition by subscription through primary route **("Primary Shares")** shall stand amended by replacing the words/phrase "*....for the purpose of subscription and/or purchase of equity shares of the Company....*" with the words/phrase and read as "*...for the purpose of subscription of Primary Shares and/or purchase of Secondary Shares of the Company...*".

c) the first paragraph to the Explanatory Statement annexed with the Resolution at Item No 6 of the notice calling the Extra Ordinary General Meeting held on 12th January,2015, as approved by the Shareholders, shall stand amended by replacing the words/ phrase "*.....by primary issue of shares and through Trust route for its implementation*" with the words / phrase and read as "*....by primary issue of shares and/or by undertaking secondary market acquisition of shares and through Trust route for its implementation*".

RESOLVED FURTHER THAT this resolution shall form an integral part of the Special Resolution(s) at Item No. 3 and 4 approved by the Shareholders at an Extra Ordinary General Meeting held on 12th January 2015 as if it were originally incorporated therein and that all actions taken by the Board in connection with the above and all incidental and ancillary things that may have been done, are hereby specifically approved and ratified.

RESOLVED FURTHER THAT in pursuance to the aforesaid, the Board be and is hereby authorized to carry out necessary amendments, alterations, modifications or deletions as may be necessary to the FCEL ESOP 2014/ Plan in compliance with the Act and the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem necessary including to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regards."

By Order of the Board of Directors

Place: Mumbai
Date: 25th March,2015

Manoj Gagvani
Company Secretary & Head-Legal

Registered Office:
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in relation to the Resolution(s) as set out in the Postal Ballot Notice is annexed hereto.
2. The Company has appointed Mr. Nilesh Shah, Practising Company Secretary as the Scrutinizer to receive and scrutinize the postal ballot forms from the Members. The postal ballot form and the self- addressed postage pre-paid envelope are enclosed for use of the Members.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m., upto 10th May, 2015.
4. The voting rights with one vote per share shall be reckoned on the paid up value of shares registered in the name of the Shareholders as on 20th March,2015.
5. The Company also offers e-voting option to all the Members. Members have an option to vote either through E-voting or physically through postal ballot form. Members opting for e-voting, cannot vote through postal ballot form. Similarly, Members opting to vote through postal ballot form should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e through postal ballot form and e-voting, then votes casted through postal ballot form shall only be taken into consideration and votes casted by e-voting shall be treated as invalid. E- voting shall commence from 9th April, 2015 at 9.30 a.m and shall end on 10th May, 2015 at 6.00 p.m
6. Members who have registered their e-mail ids for receipt of documents in electronic mode under the **'Green Initiative'** undertaken by MCA, are being sent postal ballot notice alongwith with postal ballot form on their registered e-mail ids. Members have an option to cast their votes either through e-voting or through postal ballot form. Members who wish to cast their votes physically through postal ballot form, may do so by filling up the details required therein. The postal ballot form for casting vote physically can also be obtained from the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup, (West), Mumbai – 400 078 or from the Company. The postal ballot form duly completed should be sent to the Scrutinizer in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before 10th May, 2015 to be eligible for being considered failing which, it will be strictly treated as if no reply has been received from the Member.
7. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of postal ballot will be announced by placing it on the website of the Company www.futureconsumer.in on 12th May, 2015.

INSTRUCTIONS FOR VOTING

For Members opting to vote physically through postal ballot form

1. You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed with your assent (for) or dissent (against), in the attached postage pre-paid envelope, so as to reach the Scrutinizer on or before 10th May, 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

For Members opting to vote electronically through e-voting process

1. Instructions for Members exercising votes through e-voting process.

a) For Members' receiving e-mail on their registered email ids from NSDL:

i) Open e-mail and open PDF file viz; "FutureConsumer e-voting .pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for 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 noted in step (i) above. Click Login

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v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the 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 e-Voting opens. Click on e-Voting: Active Voting Cycles

vii) Select "EVEN" of Future Consumer Enterprise Limited

viii) Now you are ready for e-Voting as Cast Vote page opens

ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted

x) Upon confirmation, the message "Vote cast successfully" will be displayed

xi) Once you have casted your vote for 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: nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in and investor.care@futureconsumer.in

b) In case of Members receiving postal ballot form by Post:

i) Initial password is provided at the bottom of the postal ballot form.

ii) Please follow all steps from Sl. No. (a) (ii) to Sl. No. (a) (xii) above to cast your vote.

2. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No: 022-24994600

3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and password for casting your vote.

4. 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 pursuant to Section 102 of the Companies Act, 2013

Item No. 1

The Company erstwhile has been predominantly engaged in the business of undertaking financial activities by registering itself with the Reserve Bank of India **("RBI")** as a non banking financial company **("NBFC").** Having diversified its activities, the Company is now engaged in the business of sourcing, distribution and branding of Food and Fast Moving Consumer Goods **("FMCG")** products. Also with the Food Park becoming operational, the Company envisages setting up of its own facilities thereat in the food business. The Company further intends to explore into business opportunities of manufacturing of FMCG products and hence by way of substituting the existing Clause III(a)(2) of the Memorandum of Association **("MOA")**, it is proposed to enable the Company to undertake the same.

Since the Company no longer undertakes the business of being an NBFC and having directed by the RBI to delete the existing Clause III(a)(3) of the MOA, which otherwise provides to allow undertaking of financial activities, it is proposed to delete the same.

In terms of the provisions of Section 13 of the Companies Act, 2013, the object clause of the MOA can be altered only by seeking approval of the Shareholders of the Company by way of passing a Special Resolution. In furtherance to the above, Rule 22 of the Companies (Management and Administration) Rules, 2014, stipulates that consent of the Shareholders of the Company for this purpose shall be obtained by means of postal ballot. Accordingly, approval of the Shareholders is being sought through postal ballot by passing of Special Resolution as set out in this Postal Ballot Notice.

The copy of a) existing Memorandum and Articles of Association of the Company and b) Memorandum and Articles of Association of the Company incorporating the proposed amendment(s) thereto will be available for inspection at the Registered Office of the Company during the office hours on all workings days between 11.00 a.m. and 1.00 p.m., upto 10th May, 2015.

Your Directors recommend the Special Resolution proposed at Item No. 1 of this Postal Ballot Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the aforesaid Special Resolution.

Item No. 2

The Company has implemented Future Consumer Enterprise Limited Employee Stock Option Plan 2014 **("FCEL ESOP 2014"/ "Plan")** with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company has earlier sought approval of the Shareholders' in respect of FCEL ESOP 2014 and grant of Stock Options to the eligible employees/ Directors of the Company and that of its Subsidiary Company(ies) as may be decided by the Nomination and Remuneration/Compensation Committee from time to time in due compliance with the Act, SEBI SBEB Regulations and other applicable laws and regulations, under primary route.

The SEBI SBEB Regulations permit dealing in/ acquisition of shares by way of secondary market acquisition through a Trust route. The Company in terms of the proposed resolution as aforesaid, contemplates to additionally enable the FCEL ESOP 2014 to acquire/deal in Equity Shares through secondary market acquisition route under the Future Consumer Enterprise Employees Welfare Trust with a view to protect the equity shareholding dilution of the Members. As a consequence to the aforesaid, the explanatory statement and relevant resolution/s at Item No 5 and 6 of the Notice calling the Extra Ordinary General Meeting held on 12th January, 2015 which has been duly approved is required to be amended, which is proposed for approval of the Shareholders as set out in this Postal Ballot Notice.

The main features of the FCEL ESOP 2014 are as under:

1. **Total number of Options to be granted:**

a. Number of Options where the underlying shares are Primary Shares :

3,19,50,000 (Three Crore Nineteen Lakhs and Fifty Thousand) Options would be available for grant to the eligible employees of the Company and eligible employees of the Subsidiary Company(ies) respectively under FCEL ESOP 2014, and which would be issued and allotted by the Company/ Trust, in one or more tranches exercisable into but not exceeding 3,19,50,000 (Three Crore Nineteen Lakhs and Fifty Thousand) Equity Shares in aggregate in the Company of face value of ₹ 6/- each fully paid-up.

b. Number of Options where the underlying shares are Secondary Shares:

7,98,00,000 (Seven Crore Ninety Eight Lakhs) Options would be available for grant to the eligible employees of the Company and eligible employees of the Subsidiary Company(ies) respectively under FCEL ESOP 2014, and which would be acquired from the secondary market and transferred by the Trust, in one or more tranches exercisable into not but exceeding 7,98,00,000 (Seven Crore Ninety Eight Lakhs) Equity Shares in aggregate in the Company of face value of ₹ 6/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of FCEL ESOP 2014.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Options or Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued, subject to compliance of the SEBI SBEB Regulations.

2. **Identification of classes of employees entitled to participate in FCEL ESOP 2014**

Following class/classes of employees are entitled to participate in FCEL ESOP 2014:

a) Permanent employees of the Company working in India or out of India;

b) Directors of the Company; and

c) Permanent employees and Directors of the Subsidiary Company(ies).

Following class/classes of employees are not eligible:

a) an employee who is a Promoter or belongs to the Promoter Group;

b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and

c) an Independent Director within the meaning of the Companies Act, 2013.

3. **Transferability of Employee Stock Options:**

The Options granted to an employee shall 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 the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under FCEL ESOP 2014.

4. **Requirements of vesting and period of vesting:**

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company as the case may be. The Nomination and Remuneration/Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

5. **Maximum period within which the Options shall be vested:**

Options granted under FCEL ESOP 2014 would vest subject to maximum period of 3 years from the date of grant of such Options.

6. **Exercise price or pricing formula:**

In case of Options where the underlying shares are "Primary Shares", the exercise price per Option shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option as may be decided by the Nomination and Remuneration/ Compensation Committee.

In case of Options where the underlying shares are "Secondary Shares", the exercise price per Option shall not exceed market price of the equity share of the Company as on date of grant of Option or the Cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher as may be decided by the Nomination and Remuneration/Compensation Committee.

Market price in this context refers to the meaning assigned to it under the SEBI SBEB Regulations.

The Nomination and Remuneration/Compensation Committee can give cashless exercise of options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulations.

7. **Exercise period and the process of Exercise:**

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 3 years from the date of vesting of such Options.

The vested Option shall be exercisable by the employees by a written application to the Trust or Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Trust/the Nomination and Remuneration/Compensation Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

In case of cashless system of exercise of vested Options, the Nomination and Remuneration/ Compensation Committee shall be entitled to specify such procedures and/or mechanisms for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

8. **Appraisal process for determining the eligibility of employees under FCEL ESOP 2014:**

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration/Compensation Committee from time to time.

The employees would be granted Options under the FCEL ESOP 2014 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Nomination and Remuneration/Compensation Committee from time to time.

9. **Maximum number of Options to be issued per employee and in aggregate:**

The number of Options that may be granted to any specific employee of the Company or of its Subsidiary Company under the Plan), in any financial year and in aggregate under the FCEL ESOP 2014 shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

10. **Accounting and Disclosure Policies:**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

11. **Method of Option Valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

In terms of provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Act and SEBI SBEB Regulations, consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 2 of this Postal Ballot Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution, except to the extent of their entitlements, if any, under the Plan.

Your Directors recommend the Resolution proposed at Item No. 2 of this Postal Ballot Notice for your approval.

By Order of the Board of Directors

Manoj Gagvani
Company Secretary & Head-Legal

Place: Mumbai
Date: 25th March, 2015

Registered Office:
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060

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