**HINDUSTAN COMPOSITES LTD.**
Peninsula Business Park, "A" Tower, 8th Floor,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.
Tel.: 6688 0100 • Fax: (91) (22) 6688 0105
E-mail : hcl@hindcompo.com
Website : www.hindcompo.com

15th November, 2013

The Manager (CRD)
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Dear Sir,

Scrip Code: 509635
**Sub: Submission of Three Copies of Postal Ballot Notice**

With reference to captioned matter and pursuant to Clause 31 of Listing Agreement, we submit herewith three copies of Postal Ballot Notice issued to the shareholders of the Company.

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
**For Hindustan Composites Limited**

**Amit Goenka**
**VP – Finance & Company Secretary**

C.C.:

The Manager – Listing
SYMBOL: HINDCOMPOS
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, 'G' Block
Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

# HINDUSTAN COMPOSITES LIMITED

Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

**NOTICE OF POSTAL BALLOT**
**(Pursuant to Section 192A(2) of the Companies Act, 1956 read with Companies Act, 2013)**

Dear Shareholder(s),

**NOTICE PURSUANT TO CLAUSE 17 OF SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999 ("SEBI ESOP GUIDELINES"), SECTION 192A OF THE COMPANIES ACT, 1956AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (PASSING OF RESOLUTION BY POSTAL BALLOT) RULES, 2011 ("THE RULES").**

The Company proposes toconstitute a scheme called **"HCL – Employee Stock Purchase Scheme, 2013"** to offer, grant and transfer such number of stock options to the eligible employees of the Company, existing and future, from time to time, as may be decided solely by the Compensation Committee, belonging to the Carnation Welfare Trust, exercisable into equity shares at a price on which the Shares are granted to the Eligible Employees by the Compensation Committee.The Company is therefore seeking your approval, as required under the provisions of Clause 17 of SEBI ESOP Guidelinesas detailed in the draft of the Resolution appended below.

An Explanatory Statement under Section 102 of the Companies Act, 2013 pertaining to the said Resolution setting out material facts and reasons for such resolution is annexed.

The consent of shareholders is being sought by way of postal ballot process under Section 192A of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("said Rules"). Accordingly, the draft of the Special Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form and a self – addressed postage prepaid envelope for your use.

The Board of Directors at its meeting held on 28th October, 2013has appointed Mr. Manish L. Ghia, Practicing Company Secretary, Mumbai as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. It is further brought to your notice that pursuant to Rule 6(f) of the said Rules, postal ballots, giving consent or otherwise received after thirty days from the date of dispatch of this notice shall be treated as if the reply from the Member has not been received. The Company is providing voting through postal ballot only.

You are thus requested to carefully read the instructions printed overleaf the Postal Ballot Form and return the Form duly completed, in the attached self addressed prepaid envelope so as to reach the Scrutinizer on or before the closing hours on14th December, 2013.The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballot Forms. The result of the Postal Ballot will be announced by the Chairman of the Company or by such other person authorized by him at the registered office of the Company at Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 on 18th December, 2013at 11.00A.M.

The resolution appended herein below, being a Special Resolution, shall be declared as passed if the votes cast in its favour are three times more than the votes cast against the Resolution.

**PROPOSED RESOLUTION**

Item No. 1 : To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time (hereinafter referred as **"the Act"**),the Companies Act, 2013, the provisions of the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred as **"SEBI ESOP Guidelines"**) (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the stock exchanges where the securities of the Company are listed and / or such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board which term shall be deemed to include any committee including the compensation or nomination committee which the Board may, at its discretion authorize to exercise certain or all of its powers, including the powers, conferred by this resolution), the consent of the members of the Company be and is hereby accorded to constitute a ESPS Scheme by the name as **"HCL – Employee Stock Purchase Scheme, 2013"** (hereinafter referred to as **"the ESPS Scheme"**)to offer, grant and transfer from the Carnation Welfare Trust such number of equity shares of the Company to the eligible employees of the Company, existing and future, from time to time, as may be decided solely by the Compensation Committee exercisable on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme and the applicable laws and regulations.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle all questions and matters arising out of and incidental to the creation and implementation of the ESPS Scheme and to do all such acts, deeds, matters and things as may deemed necessary and expedient in its discretion for giving effect to the above resolution. "

**By Order of the Board of Directors**

Place : Mumbai
Date: 28th October, 2013

**Amit Goenka**
VP – Finance & Company Secretary

**Registered Office:**
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013

**EXPLANATORY STATEMENT**

**(Pursuant to the provisions of Section 102 of the Companies Act, 2013)**

**Item No. 1:**

The Company has an employee benefit trust, viz. "Carnation Welfare Trust" which was formed on 20th June, 2011 for the benefit of the existing and future employees who at the relevant time are in full time employment of the Company including their relatives.

The Securities and Exchange Board of India (SEBI) vide Circular bearing number CIR/CFD/DIL/3/2013 dated 17th January, 2013 (hereinafter referred as**"SEBI Circular"**), amended the provisions of Equity Listing Agreement and SEBI (Employee Stock Option Schemes and Employee Stock Purchase Schemes) Guidelines, 1999 (hereinafter referred as **"ESOP Guidelines"**). By the said SEBI Circular, Clause 35C is inserted in the Listing Agreement whereby all the employee benefit schemes involving the securities of the company has to be compulsorily in compliance with the SEBI ESOP Guidelines. Further, all the employee benefit schemes already framed and implemented by the companies involving dealing in the securities of the company, before the insertion of the said Clause 35C, are to be aligned with and made to confirm to ESOP Guidelines by 30th June, 2013. By a subsequent SEBI Circular bearing number CIR/CFD/DIL/7/2013 dated 13th May, 2013 the period for alignment of existing employee benefit schemes so as to conform to ESOP Guidelines is extended till 31st December, 2013.

In view of the above mentioned Circulars, it has become necessary to formulate a employees stock option scheme which would conform to the provisions of SEBI ESOP Guidelines. Accordingly, the Board seeks consent of the Members of the Company to constitute a scheme to align with the SEBI ESOP Guidelines so as to offer, grant and transfer such number of stock options to the eligible employees of the Company, existing and future, from time to time, as may be decided by the Compensation Committee, which are lying with the Carnation Welfare Trust. Accordingly, it is proposed to constitute an ESPS Scheme called **"HCL – Employee Stock Purchase Scheme, 2013"**.The draft ESPS document will be available for inspection at the Registered Office of the Company between 11 a.m. and 1.00p.m. on all working days of the Company, except Saturdays.

The salient features of the Scheme are as follows:

(I) The price of share and the number of shares to be offered to each eligible employees will be determined by the Compensation Committee;
(ii) The appraisal process for determining the eligible employees will be determined by the Compensation Committee;
(iii) The Eligible Employees shall purchase the shares at a price which shall be determined by the Compensation Committee as on the date of grant of rights to the Eligible Employees under the HCL – Employee Stock Purchase Scheme, 2013 in one or more tranches;
(iv) Each Eligible Employee shall be offered a maximum of 10,000 (Ten Thousand) Equity Shares in one or more tranches under the HCL – Employee Stock Purchase Scheme, 2013.

The Board recommends passing of the Special Resolution as set out at item no. 1 of the notice.

None of the Directors, Key Managerial Personnel of the Company (except to the extent of their eligibility to get shares under ESPS Scheme) and their relatives are in any way concerned or interested in the subject resolution.

**By Order of the Board of Directors**

Place : Mumbai
Date: 28th October, 2013

**Amit Goenka**
VP – Finance & Company Secretary

**Registered Office:**
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013

# HINDUSTAN COMPOSITES LIMITED

Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

## POSTAL BALLOT FORM

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

Sr. No.:

1. Name(s) of Shareholder(s) (in block letters) including joint – holders, if any :

2. Registered Address of the Sole / First named Shareholder :

3. Registered Folio No./ DPID No. / Client ID No* (* Applicable to investor holding shares in demat form) :

4. No. of Share(s) held :

5. 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 the Company by sending my / our assent or dissent to the said Resolution by placing a tick (√) mark at the appropriate box below:

| Description | No. of Shares | I/We assent to the Resolution **(FOR)** | I/We dissent to the Resolution **(AGAINST)** |
|---|---|---|---|
| Special Resolution for approval of **HCL – Employee Stock Purchase Scheme, 2013** as required under Clause 17 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 | | | |

Place :

Date :

(Signature of the Shareholder)

## INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer in the attached self – addressed postage pre-paid envelope. Since postage is already paid by the Company, the members need not affix the postage stamp. However, envelope containing Postal Ballot Form, if sent by courier or hand delivered at the expense of the Member, will also be accepted.

2. The self – addressed envelope bears the name and postal address of the Scrutinizer appointed by the Board of Directors of the Company.

3. This form should be completed and signed by the Member. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company/ Depository Participant) by the first named Member and in his/her absence, by the next named Member.

4. Postal ballot cannot be exercised by proxies.

5. Incomplete or unsigned Postal Ballot Forms will be rejected.

6. There will be one postal ballot form for every Folio/ Client ID irrespective of the number of joint holder(s).

7. The Scrutinizer's decision on the validity of Postal ballot will be final.

8. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 14th December, 2013 Postal Ballot Form received after this date will be strictly treated as if reply from such Member has not been received and the same will not be considered for the purpose of postal ballot.

9. In case of shares held by companies, trusts, societies etc. the duly completed postal ballot form should be accompanied by a certified true copy of Board Resolution / authority together with specimen signatures of the duly authorized signatories.

10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on the date of dispatch of the Notice.

11. A member need not use all his/her votes in the same manner.

12. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.