



HSIL LIMITED

CIN : L51433WB1960PLC024539

Registered Office : 2, Red Cross Place, Kolkata - 700 001, West Bengal, India

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NOTICE OF POSTAL BALLOT

**[Pursuant to Section 110 of the Companies Act, 2013
read with Rule 22 of the Companies (Management and Administration) Rules, 2014]**

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force) and pursuant to such other applicable laws and regulations, that the resolutions annexed hereunder are proposed to be passed by the members of the Company by way of Postal Ballot including remote electronic voting ("e-voting"). The Explanatory Statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed resolutions are appended below for consideration of the members.

Members are requested to carefully read the instructions printed in the annexed Postal Ballot Form and return the same duly completed in the enclosed postage prepaid self-addressed Business Reply Envelope not later than on Thursday, 19th December, 2019 (5.00 P.M. IST). Postal Ballot Form(s), if sent at the expense of the member(s), will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that if any Postal Ballot Form is received after the said date, it will be considered that no reply has been received from the member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through Electronic Means' of this Notice. References to postal ballot(s) in this Postal Ballot Notice also include votes received electronically.

The Company has appointed Mr. Pravin Kumar Drolia, Company Secretary in Practice, Kolkata (FCS No. 2366, CP No. 1362) as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman and Managing Director of the Company or in his absence to any other person authorised by the Chairman, after completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot will be announced on Friday, 20th December, 2019 at 2.00 P.M. at the Registered Office of the Company. The result of the postal ballot will also be displayed at the addresses of the Company's registered and corporate offices and posted on the Company's website www.hsilgroup.com, besides communicating to the stock exchanges, depositories and Company's Registrar and Share Transfer Agent. The last date for receipt of votes vide duly completed postal ballot forms or e-voting i.e. 19th December, 2019 shall be taken to be the date of passing of the resolutions, if passed by requisite majority.

RESOLUTIONS

Item No. 1

Alteration of the Object Clause of the Memorandum of Association of the Company

To consider and, if thought fit, to pass 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 ("Act") read with applicable Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, permissions and sanctions of appropriate authorities or departments, as may be required, consent of the members of the Company be and is hereby accorded to alter the existing Object Clause of the Memorandum of Association of the Company in the manner and to the extent given herein below:

The followings new sub-clause 30 be added after existing sub-clause 29 under the Object Clause III of the Memorandum of Association of the Company:

"30. To impart various kind of services including accounting, human resource, consulting, procurement etc."

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Item No. 2

Approval for Related Party Transactions with Brilloca Limited

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and rules made thereunder and other applicable provisions, if any, of the Act, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into material contract(s)/ arrangement(s)/ transaction(s) with Brilloca Limited, a related party as defined under the provisions of the Act and Listing Regulations, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 935.00 Crore plus applicable Goods and Service Tax during the financial year 2019-20, for the purposes as set out in the explanatory statement annexed hereto, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be in the ordinary course of business of the Company and at arm's length basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board or any committee authorized by the Board be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board / committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

**By order of the Board of Directors
HSIL Limited**

Place : Gurugram

Date : 4th November 2019

**Pulkit Bhasin
Company Secretary
Membership No. A27686**

NOTES:

1. The Statement as required under Section 102 of the Companies Act, 2013 is appended to this Notice.
2. The Postal Ballot Notice is being sent to all the Members whose names appear in 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, 8th November, 2019 ("Cut-off date"). The Postal Ballot Notice is being sent by email to members who have registered their email IDs, for receipt of documents in electronic form, with their Depository Participants or the Company. For members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope. The Postal Ballot Notice is also available on the Company's website www.hsilgroup.com.
3. A person whose name appears in the Register of Members / List of Beneficial Owners as on the Cut-off date shall be entitled to vote through Postal Ballot / e-voting on the resolutions set forth in the Notice. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Members / Beneficial Owners as on the Cut-off date.
4. The voting/e-voting period commences on Wednesday, 20th November, 2019 (9:00 AM IST) and ends on Thursday, 19th December, 2019 (5:00 PM IST). During this period, members of the Company holding equity shares either in physical form or in dematerialized form, as on the Cut-off date may cast their vote electronically.
5. The members can opt for only one mode of voting i.e. either by physical Postal Ballot Form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Form will be treated as invalid.
6. Members who have received Postal Ballot Notice by email and who wish to vote through physical Postal Ballot Form and in case a member is desirous of obtaining a duplicate Postal Ballot Form, may write to the Company's Registrar and Share Transfer Agent - Maheshwari Datamatics Pvt. Ltd. at 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 or to the e-mail id: mdpldc@yahoo.com. The Registrar and Share Transfer Agent / Company shall forward the duplicate Postal Ballot Form along with postage prepaid self-addressed Business Reply Envelope to the member.
7. All the relevant documents referred to in the explanatory statement will also be available for inspection at the registered office of the Company during the business hours i.e. 10:00 A.M. to 5:00 P.M. on all working days from the dispatch of the Notice till 19th December, 2019.
8. Corporate / Institutional Members (i.e. other than individuals, HUF, NRI, etc.) opting for ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer along with the Postal Ballot Form.
9. There will be only one ballot form for every Client ID/Folio No. irrespective of the number of joint holders. In case the shares are held jointly, the ballot form shall be completed and signed by the first named Member and in his/her absence by the next named Member.
10. Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent / Depository Participant(s) for sending future communication(s) in electronic form.
11. Resolution(s) passed by the members through Postal Ballot and e-voting are deemed to have been passed effectively at a general meeting.

12. Voting through electronic means:

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post.
- ii) The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.
- iii) The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting:

Commencement of e-voting	From 9.00 a.m. (IST) on Wednesday, 20th November, 2019
End of e-voting	Upto 5.00 p.m. (IST) on Thursday, 19th December, 2019

- iv) The procedure and instructions for members for remote e-voting are as under:
 - a) Shareholders should log on to the e-voting website www.evotingindia.com
 - b) Click on "Shareholders" tab.
 - c) Now, select the "HSIL Limited" from the drop down menu and click on "SUBMIT".
 - d) Now Enter your User ID
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) For Physical Form : Member should enter Folio Number registered with the Company.
 - (e) Next enter the Image Verification as displayed and Click on Login.
 - (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. The sequence number is printed on the Postal Ballot Form address to the shareholder individually, containing particulars of e-voting sent alongwith Notice of Postal Ballot • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company's records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant "HSIL Limited" on which you choose to vote.

- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user id who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (t) The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

The Company was incorporated for the purpose of manufacturing, distributing and marketing of all kind of building products (sanitaryware, faucets, tiles, other lifestyle products, UPVC and CPVC pipes, fittings, etc.), consumer products, glass packaging products, plastic packaging material, security caps and closures, and retail business for home interior solutions.

Subsequent upon date of effectiveness of the Composite Scheme of Arrangement (Demerger) between the Company, Somany Home Innovation Limited ("SHIL"), Brilloca Limited ("Brilloca") and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 ("Act") as sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench, the business divisions of the Company namely (i) distribution and marketing division of building products have been transferred to Brilloca Limited; and (ii) distribution and marketing division of consumer products along with retail division have been transferred to Somany Home Innovation Limited.

With a view of exploring other business avenues and expand its business activities, the Company intends to impart or render various kind of services including accounting, human resource, consulting, procurement etc.

The Board of Directors of the Company in its meeting held on 4th November, 2019 has approved, subject to the consent of the shareholders, alteration in the Object Clause of the Memorandum of Association ("MOA") of the Company in the manner as set out in the Special Resolution at Item no. 1 of this Notice.

The alteration in the Object Clause of the MOA, as set out in the resolution, is to facilitate Company's entry into new business areas as defined therein. The proposed activities can be carried out, under the existing circumstances, conveniently and advantageously along with the existing activities of the Company.

Pursuant to the provisions of Sections 13, 110 and all other applicable provisions, if any, of the Act, read with applicable Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), alteration of the Object Clause of the MOA of the Company requires approval of the members by means of a Special Resolution through Postal Ballot.

Copy of the existing MOA, copy indicating the proposed amendments and other allied documents, if any, being referred in this resolution would be available for inspection by the members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any.

The Board recommends the resolution under Item No. 1 for approval of the members as a Special Resolution.

Item No. 2

Consequent upon demerger of the Company in terms of approval of National Company Law Tribunal, Kolkata Bench, vide Order dated 26th June 2019, the business of distribution and marketing activities including storing, transporting, selling, distributing and trading in various branded building products like, sanitaryware, faucets, UPVC and CPVC pipes, tiles, fittings and other wellness and allied products, including water closets, wash basins, pedestals, squatting pans, urinals, cisterns, bidets, showers, bathroom faucets, kitchen faucets, bath tubs, shower panels, shower enclosures, whirlpools, steam generators, concealed cisterns, seat covers and PVC cisterns etc., through its chain of distributors, dealers, sub-dealers, display centers, modern trade channels, e-commerce, etc. stands transferred to Brilloca Limited.

Brilloca is a related party of your Company as defined under the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Your Company entered into transactions with Brilloca to supply products manufactured by it, for further marketing and selling by Brilloca. Since Brilloca sources the products in large volumes, the supply of the products to Brilloca will result in volume advantage for your Company. Your Company is also proposing to enter into various other contract(s) /arrangement(s) /transaction(s) with Brilloca from time to time during the FY 2019-20. Such transaction(s) shall be in the ordinary course of business of the Company and at arm's length basis.

Pursuant to the provisions of Regulation 23 of the Listing Regulations, all material related party transactions shall require approval of shareholders through ordinary resolution, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per last audited financial statements of the Company.

During the FY 2019-20, the total value of the proposed transaction(s) with Brilloca is likely to exceed the said threshold limit of 10% of the annual consolidated turnover of the Company as per its latest audited financial statements. Accordingly, transaction(s) entered into with Brilloca comes within the meaning of material related party transaction(s) in terms of provisions of the Listing Regulations and the Act and rules made thereunder.

The Audit Committee and Board of Directors in their respective meetings held on 4th November, 2019 approved proposed related party transactions with Brilloca in accordance with the Company's policy on Related Party Transactions. Hence, approval of the shareholders is being sought for the said related party transaction(s) proposed to be entered into by your Company with Brilloca during the FY 2019-20.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Brilloca are as follows:

S. No.	Particulars	Remarks
1.	Name of the Related Party	Brilloca Limited
2.	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Sandip Somany Mr. G. L. Sultania
3.	Nature of Relationship	<p>Brilloca Limited is a wholly owned subsidiary of Somany Home Innovation Limited ("SHIL").</p> <p>The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 26th June, 2019 had approved a Composite scheme of Arrangement ("Scheme") which was made effective on 5th August, 2019 (w.e.f. the Appointed Date i.e. 1st April, 2018 as per the Scheme) and accordingly, the CPDM Undertaking (as defined in the said Scheme) has been demerged into SHIL (which was a wholly owned subsidiary company of your Company) and BPDM undertaking (as defined in the said Scheme) has been demerged into Brilloca.</p> <p>Further, as per the Scheme, the equity shares held by your Company in SHIL stands cancelled and all shareholders of your Company have been issued 1 equity share of Rs. 2/- each of SHIL for 1 equity share Rs. 2/- each held by them in your Company as on the record date i.e. 20th August, 2019. Pursuant to the aforesaid cancellation and allotment of aforesaid equity shares of SHIL to shareholders of your Company, SHIL is no longer a wholly owned subsidiary of your company and consequently, your Company and SHIL have same shareholders (mirror shareholding).</p> <p>SHIL and your Company also have common directors and holding along with their relatives more than 2% of the paid-up share capital of your Company.</p> <p>Brilloca, being wholly owned subsidiary of SHIL, is a related party of your company.</p>
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	<p>1. Monetary value of proposed supply of products during financial year 2019-20 shall not exceed Rs. 900.00 Crore plus applicable Goods and Service Tax.</p> <p>2. Monetary value of the proposed contract for services during financial year 2019-20 shall not exceed Rs. 25.00 Crore plus applicable Goods and Service Tax.</p> <p>3. Rent of premises during financial year 2019-20 shall not exceed Rs. 10.00 Crore plus applicable Goods and Service Tax.</p>
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	The proposed transactions with Brilloca will facilitate optimum utilisation of the production facilities of products of your Company.

Except Mr. Sandip Somany and Mr. G. L. Sultania and their relatives, none of the other Directors and the Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as set out at Item No. 2 of the Notice. No related party will vote to approve the transaction, whether the entity is a related party to the transaction or not.

The Board is of the opinion that the aforesaid related party transactions are in the best interests of the Company and therefore, recommends the resolution under Item No. 2 for approval of the members as an Ordinary Resolution.

By order of the Board of Directors
HSIL Limited

Place : Gurugram

Date : 4th November 2019

Pulkit Bhasin
Company Secretary
Membership No. A27686