



August 08, 2020

To,
National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra (E), Mumbai – 400 051

To,
BSE Limited,
The Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

Ref Symbol: **VASCONEQ**

Ref: **Scrip Code: 533156**

Dear Sir/Madam,

Subject: Postal Ballot Notice (only through the e-voting process) for seeking member's approval

With reference to the above subject and further to the intimation made to the stock exchanges by Vascon Engineers Limited ("the Company") on August 03, 2020, we would like to inform you that pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 read with General Circular No 22/2020 dated June 15, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made there under on account of the threat posed by COVID-19" issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the approval of members of the Company is being sought for the following resolutions, by way of Postal Ballot (only through the e-voting process):

Sr.No.	Description of Resolutions
1.	Variation of Terms of Vascon Engineers Limited Employees Stock Option Scheme 2017 (ESOS 2017) - Repricing of Stock Options Granted to Employees who are entitled to participate in the scheme
2.	Employees Stock Option Scheme, 2020
3.	Grant of Employee Stock Options in excess of 1% of the issued capital at the time of Grant of Options to Identified Employees

Pursuant to Regulation 30 of SEBI LODR Regulations and other applicable provisions, please find enclosed the Postal Ballot Notice along with the Explanatory Statement. The same is being made available on the Company's website www.vascon.com.

In terms of the circulars issued by the Ministry of Corporate Affairs, Government of India (the "MCA") vide its General Circular No.14/2020 dated 8th April 2020 and General Circular No.17/2020 dated 13th April 2020 read with General Circular No. 22/2020 dated 15th June 2020 (the "MCA Circulars") and in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, companies are advised to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Companies Act and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue.

VASCON ENGINEERS LTD.

Registered & Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.
Tel.: +91 20 3056 2100/200/300, Fax: +91 20 3056 2600, Web: www.vascon.com CIN: L70100PN1986PLC175750

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Accordingly, the Company has completed the dispatch of the Postal Ballot Notice through email on Saturday, August 08, 2020 to the shareholders of the Company whose names appear in the Register of Members of the Company as on the Cut-off Date i.e. Monday, August 03, 2020 for obtaining approval of shareholders and the communication of assent / dissent of the members will only take place through the remote e-voting system. The hard copy of Postal Ballot Notice and pre-paid business reply envelope shall not be sent to the shareholders for the Postal Ballot in terms of the MCA Circulars.

The voting rights of the shareholders of the Company shall be determined based on the equity shares held by them as on Cut-off Date i.e. Monday, August 03, 2020.

The remote e-voting period will commence on Sunday, August 09, 2020 (9:00 a.m. onwards) and end on Monday, September 07, 2020 (5:00 p.m.) During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Monday, August 03, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by KFin Technologies Private Limited, Registrar and Share Transfer Agents, for voting thereafter. Result of postal ballot conducted through remote e-voting will be announced by the Chairman on or before Wednesday, September 09, 2020.

Members who have not submitted their e-mail IDs, are requested to submit their e-mail IDs with KFin Technologies Private Limited or the Company by following the procedure provided in the Postal Ballot Notice, in respect of both physical and electronic holdings.

Kindly take the same on record.

For **Vascon Engineers Limited**

Vibhuti Dani
Company Secretary and Compliance Officer

Encl: Postal Ballot Notice

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This document is signed electronically



VASCON

Vascon Engineers Ltd.

CIN: L70100PN1986PLC175750

Registered and Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel,
Opposite Hyatt Hotel, Pune Nagar Road, Pune-411014

Phone: +91-20-30562200, **Fax:** +91-20-30562600

Email address: compliance.officer@vascon.com, **Website:** www.vascon.com

POSTAL BALLOT NOTICE

Pursuant to Section 110 of the Companies Act, 2013 read Rule 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars (as mentioned below)

Dear Members,

NOTICE is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force)("the Rules"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Secretarial Standard – 2 on General Meetings ("SS-2") issued by the Institute of the Company Secretaries of India and any other applicable laws and regulations, to transact the below mentioned proposed resolutions by the members of the Vascon Engineers Limited ("the Company") through postal ballot ("Postal Ballot") by way of remote e-voting ("e-voting / remote e-voting").

Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the General Circular No.14/2020 dated 8th April 2020 and General Circular No. 17/2020 dated 13th April 2020 read with General Circular No. 22/2020 dated 15th June 2020 (the "MCA Circulars"), in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, have advised the companies to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Act and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. The MCA has clarified that for companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot up to 30th June 2020 (extended to 30th September 2020 vide General Circular No. 22 dated 15th June 2020), the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the company will send Postal Ballot Notice by email to all its shareholders who have registered their email addresses with the company or depository / depository participants and the communication of assent / dissent of the members will only take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.

Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the shareholders for this Postal Ballot and shareholders are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company now propose to obtain the consent of the shareholders by way of Postal Ballot for the matters as considered in the Resolutions appended below. The Explanatory Statement pursuant to Section 102 of the Act pertaining to the said Resolutions setting out material facts and the reasons for the Resolution is also annexed.

You are requested to peruse the proposed Resolutions along with their respective Explanatory Statement and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

RESOLUTIONS:

SPECIAL BUSINESS:

1. VARIATION OF TERMS OF VASCON ENGINEERS LIMITED EMPLOYEES STOCK OPTION SCHEME 2017 (ESOS 2017) - REPRICING OF STOCK OPTIONS GRANTED TO EMPLOYEES WHO ARE ENTITLED TO PARTICIPATE IN THE SCHEME

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

"RESOLVED THAT in accordance with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), as amended from time to time, and subject to other applicable laws, if any, for the time being in force, **Vascon Engineers Limited Employees Stock Option Scheme, 2017 ("ESOS 2017" or "the Scheme")** and subject to such other consent, approval, permission, as may be required, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company (herein referred to as '**the Board**' which term shall include Nomination and Remuneration Committee of the Board or any other Committee which the Board may constitute to exercise its power) to re-price the Exercise Price of 80,00,000 Employee Stock Options granted to eligible employees who are entitled to participate in the Scheme to Rs. 10 per share, (earlier Rs. 15 per share).

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (herein referred to as **‘the Board’** which term shall include Nomination and Remuneration Committee of the Board or any other Committee constituted by the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers to settle all questions, difficulties or doubts that may arise in regard to the said re-pricing as the Board may in its sole and absolute discretion deem fit and delegate all or any of its powers herein conferred to any Director(s) or Officer(s) of the Company to give effect to the foregoing resolution, including but not limited to amending ESOS 2017 making any filings in India or any jurisdiction where the stock exchanges and/or applicable regulatory authorities, if required, as it may deem it necessary or desirable.”

2. EMPLOYEES STOCK OPTION SCHEME, 2020

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

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof), the Articles of Association of the Company, and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”) as amended from time to time, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and any other applicable laws for the time being in force and subject to such approvals, permissions and sanctions of any authorities as may be necessary, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (‘the Board’, which term shall be deemed to include any Committee thereof, including Nomination and Remuneration Committee, or their delegated authority, to exercise its powers, including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to the Board for adoption and implementation of ‘Vascon Engineers Limited Employees Stock Options Scheme 2020’ (‘ESOS- 2020’), and to create, issue, offer and grant/allot, from time to time and in one or more tranches, such number of options under the ESOS - 2020, the salient features of which are set out in the Statement annexed to this Postal Ballot Notice, to or to the benefit of such person(s) who are permanent 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) and to such other persons as may be decided by the Board and / or permitted under SBEB Regulations (hereinafter referred to as “Eligible Employees”) but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares which would give rise to issue of equity shares of the Company but not exceeding 1,60,00,000 equity shares of the face value of ₹ 10/- (Rupees Ten only) each at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of ESOS - 2020 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.;

RESOLVED FURTHER THAT in case in any corporate action(s) such as rights issue, bonus issue, merger, de-merger, amalgamation, sale of division and any other form of corporate restructuring by the Company, if any additional Options/ Equity Shares are required to be granted/issued by the Company to the Eligible Employees, then for the purpose of making a fair and reasonable adjustment to the Options granted to the Eligible Employees earlier, the above ceiling of 1,60,00,000 (One Crore Sixty Lacs Only) Options/ Equity Shares shall be deemed to be increased to the extent of such additional Options/ Equity Shares required to be issued and/or acquired.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under ESOS- 2020, shall rank pari-passu in all respects with the then existing Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the shares allotted under ESOS- 2020 on the stock exchanges where the Shares of the Company are listed in compliance with the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the grant of Options, issuance and allotment of Equity Shares on exercise of Options etc., without being required to seek any further consent or approval of the members of the Company to the end and intent that the members 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 2020 and to take all such steps and do all acts as may be incidental or ancillary thereto.”

3. GRANT OF EMPLOYEE STOCK OPTIONS IN EXCESS OF 1% OF THE ISSUED CAPITAL AT THE TIME OF GRANT OF OPTIONS TO IDENTIFIED EMPLOYEES

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

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof), the Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) as amended from time to time, the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable laws for the time being in force and subject to such approvals, permissions and sanctions of any authorities, as may be necessary, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s), and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company ('the Board', which term shall be deemed to include any Committee thereof, including Nomination and Remuneration Committee, or their delegated authority, to exercise its powers, including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to the Board to grant stocks option under 'Employee Stock Option Scheme 2020 ("ESOS - 2020") during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options to the Identified Eligible Employees as may be approved by the Board."

By order of the Board
For **Vascon Engineers Limited**

Sd/-
Vibhuti Darshin Dani
Company Secretary & Compliance Officer
Membership No: F7453

Date: August 08, 2020

Place: Pune

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read together with Regulation 6(2) of the SEBI Share Based Employees Benefit SBEB Regulations setting out material facts is annexed hereto.
2. The Notice of Postal Ballot ("the Notice") containing instruction is being sent by email to all the Members of the Company whose names appear on the Register of Members/list of Beneficial Owners as received from the Depositories, National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on the close of working hours on Monday, August 03, 2020 (hereinafter called as "Cut-off Date") and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited ("KFintech"). A copy of this Notice will also be available on the Company's website www.vascon.com and on the website of KFintech at <https://evoting.karvy.com> and at the relevant sections of the websites of BSE Limited and National Stock Exchange of India Limited, the stock exchanges on which the shares of the Company are listed.
3. Members whose name appearing on the Register of Members / List of Beneficial Owners as on the Cut-off date shall be eligible for e-voting. A person who is not member on Cut-off date should treat this notice for information purpose only.
4. The Board of Directors has appointed Mrs. Savita Jyoti (Membership No. FCS 3738) from Savita Jyoti Associates, Practicing Company Secretaries, as the Scrutinizer to conduct postal ballot and e- voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.
5. Resolutions, if passed by the Members through postal ballot will be deemed to have been duly passed on the last date specified for the e-voting i.e. Monday, September 07, 2020, in terms of Secretarial Standard – 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.
6. In compliance with provisions of Section 108 and Section 110 of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Secretarial Standard – 2, the Company is providing e-voting facility to enable members to cast their votes electronically on the matters included in this Notice. The Company has appointed KFin Technologies Private Limited (hereinafter called as "KFintech" / "Agency") for facilitating e-voting to enable the shareholders to cast their votes electronically instead of physical mode. In terms of the General Circular No.14/2020 dated 8th April 2020 read with General Circular No.17/2020 dated 13th April 2020 and General Circular No.22/2020 dated 15th June 2020 issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), voting can be done only by remote e-voting. The members are strongly advised to use the remote e-voting procedure by themselves and not through any other person / proxies.
7. The Scrutinizer will submit her report after completion of the scrutiny and the results of the postal ballot will be posted on the Company's website www.vascon.com and also on the website of KFintech at <https://evoting.karvy.com> besides communicating to the stock exchanges on which the shares of the Company are listed on or before Wednesday, September 09, 2020 before 1800 hours. In the event that the Company's offices remain open for business on that day, the Company will also display the results of the postal ballot at its registered office.
8. E-voting will commence on Sunday, August 09, 2020 (9.00 A.M. IST) and end on Monday, September 07, 2020 (5.00 P.M. IST). The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled thereafter.

9. This notice of postal ballot will also be placed on the website of the Company i.e. www.vascon.com and also on the website of the Agency i.e. <https://evoting.karvy.com>.
10. In case of any queries, any member who has grievances connected with e-voting for postal ballot can contact Mr. S V Raju, Corporate Registry, KFin Technologies Private Limited, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 at +91 040 67162222 or at 1800 345 4001(Toll Free) or email at einward.ris@kfintech.com.
11. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot/E-voting will be final.
12. The relevant documents for voting by remote e-voting shall be under the safe custody of the scrutinizer till the Chairperson consider, approves and sign the minutes.
13. SEBI has made an amendment to Regulation 40 of the SEBI Listing Regulations with respect to mandatory dematerialization for transfer of securities. Pursuant to the aforesaid amendment, Listed Companies and their Registrars and Transfer Agents (RTAs) are advised to ensure that shares which are lodged for transfer are mandatory in dematerialized form with effect from April 01, 2019. Therefore, shareholders are requested to get their physical shareholding dematerialized for any further transfers.
14. The members are aware that, currently the Novel Coronavirus (COVID-19) has affected many countries, including India. Pursuant to advisory by Ministry of Health & Family Welfare, Ministry of Corporate Affairs and other authorities on preventive measures to contain the spread of COVID 19, please note that the Company is taking all possible precautionary measures to meet this public health situation and contributing to containing the disease and minimizing its contagious effect. You are also requested to ensure to follow the directives issued by Government of India/State Government for safety of everyone and take adequate precautions at personal as well as at a social level and follow the medical advisories.

Further, use of e-voting facility by members is advisable for casting votes by following the procedures and instructions of E-Voting as mentioned in the Notice below.

E-voting Procedure/Instructions:

The procedure and instructions for e-voting are as follows:

- I. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- II. Enter the login credentials (i.e., user-id & password). Your Folio/DP Client ID will be your User-ID.

User ID	For members holding shares in Demat Form: a) For NSDL :-8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID c) For Members holding shares in Physical Form:- Event No. 5442 followed by Folio Number registered with the Company
Password	Your unique password is sent via email forwarded through the electronic notice. In case you do not remember password then click on forgot password option to reset the same.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- III. After entering these details appropriately, click on "LOGIN".
- IV. You will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0- 9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through KFin e-Voting platform. System will prompt you to change your password and update any contact details like mobile no, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- V. You need to login again with the new credentials
- VI. On successful login, system will prompt to select the 'Event' i.e., 'Vascon Engineers Limited'.
- VII. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- VIII. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast the vote, select 'ABSTAIN'.
- IX. 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.
- X. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

- XI. Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through email to savitajyoti@yahoo.com with copy to einward.ris@kfintech.com and evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- XII. In case of any queries related to e-voting, you may refer to the Frequently Asked Questions (FAQ's) and e-voting user manual available in the "Downloads" section of '<https://evoting.karvy.com>' or contact Mr. S V Raju of KFin Technologies Private Limited at 040- 67162222 or at 1800 345 4001 (Toll Free).

In case Shareholders have not registered

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the shareholders for this Postal Ballot. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. In light of the MCA Circulars, shareholders who have not registered their email address and in consequence could not receive the e-voting notice may temporarily get their email registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://karisma.kfintech.com/emailreg> and following the registration process as guided thereafter and mentioned herein below:

Electronic Folios:

- a. Visit the link <https://karisma.kfintech.com/emailreg>
- b. Select the Company Name
- c. Shareholder to enter DPID-CLID/Folio No. and PAN
- d. Shareholders to enter the email ID and Mobile No
- e. System check the authenticity of the client id and PAN and send the different OTPs to Mobile and Email to Validate
- f. Shareholder to enter the OTPs received by SMS and Email to complete the validation process. (OTPs will be valid for 5 min. only)
- g. System confirms the email id for the limited purpose of serviced postal ballot notice
- h. System will send the notice & procedure for e-voting to the email given by shareholder

Physical Folios

- a. Visit the link <https://karisma.kfintech.com/emailreg>
- b. Select Company name
- c. Shareholders to enter physical Folio No and PAN
- d. If PAN isn't available in the records, shareholder to enter one of the Certificate no.
- e. Shareholder to enter the email id and Mobile No.
- f. System check the authenticity of the Folio No. and PAN/Certificate No and send the different OTPs to Mobile and Email to Validate.
- g. Shareholder to enter the OTPs received by SMS and Email to complete the validation process. (OTPs will be valid for 5 min. only).
- h. If PAN is not available, system will prompt to upload the duly signed scan copy of the PAN.
- i. System confirm the registration of email id.
- j. System will send the notice & procedure for e-voting to the "email "given by shareholder.

Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder may write to einward.ris@kfintech.com.

2. It is clarified that for permanent registration of email address, the shareholders are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, India by following due procedure.
3. Those shareholders who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices / documents / Annual Reports electronically to their email address.

EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTION ACCOMPANYING THE NOTICE PURSUANT TO SECTION 102 OF THE ACT READ WITH SECTION 110 OF THE ACT

In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to the Item Nos. 1 to 3 of the accompanying Notice:

ITEM NO. 1

With the objective of attracting, motivating, rewarding and retaining employees of the Company for their high levels of individual performance and for their efforts to improve the financial performance and their loyalty to the Company, your Company instituted Employees Stock Option Scheme - 2017 (ESOS - 2017) pursuant to the special resolution passed by the Shareholders in Extra-Ordinary General Meeting held on May 24, 2017. The Company has granted 1,60,00,000 shares to its employees under the Scheme. Out of the same, 40,00,000 options have been vested and exercised by the employees so far. Further, for the outstanding 1,20,00,000 options, the Company had revised the Exercise Price from Rs. 28 per option to Rs. 15 per option due to inherent volatility in the stock market and fall in the market price of the Equity Shares of the Company, vide special resolution passed by the shareholders on March 15, 2019. Out of the outstanding 1,20,00,000 options, 40,00,000 options are vested but not yet exercised and will lapse on August 10, 2020. Accordingly, 80,00,000 options are unvested outstanding options as on July 14, 2020. However, due to inherent volatility in the stock market and further fall in the market price of the Equity Shares of the Company, the prevailing market price of Equity shares is much less than the exercise price as revised earlier. As such, these 80,00,000 options have become unattractive. As a result, the employees may not derive any benefit out of the options granted to them. The Nomination and Remuneration Committee and Board has therefore considered it prudent to re-price the Exercise Price of such 80,00,000 options granted to employees on the basis of prevailing market price to make them beneficial to the employees instead of allowing them to lapse. Accordingly, the Board and Nomination and Remuneration Committee in their meeting dated July 14, 2020 have approved the re-pricing of such 80,00,000 options from the existing Rs. 15 to revised price of Rs. 10 per share. However, there will not be any change or modification in the vesting or exercise period/schedule or any other term of the scheme. The proposed re-pricing would be beneficial to all employees who are entitled to participate under the Scheme and such re-pricing is not detrimental to the interest of the employees and is in accordance with the Acts, Regulations and Guidelines issued by Relevant Authority, including the Securities and Exchange Board of India.

The total number of ESOS's which would be re-priced is 80,00,000 which is 4.49% to total paid up equity shares of the Company.

All other terms and conditions applicable for the grant of options shall remain unchanged except for the variation in the price as stated above. The Board recommends the Special Resolution of the Item set forth in the Notice for approval of the Members.

The proposed re-pricing and/or re-granting will be in compliance of SEBI Regulations and would be beneficial for the employees.

The Company shall comply with the accounting policies specified in the requirements on the guidance note on accounting for employees share based payments ('Guidance Note') or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including disclosure requirements prescribed therein.

None of the Directors of the Company, Key Managerial Personnel (KMP) of the Company and relatives of Directors and KMP are interested or concerned in the resolution except to the extent of the ESOPs granted to them under the Scheme and to the extent of their shareholding as Members.

ITEM NO 2 and 3:

It is proposed to adopt a new Employee Stock Option Scheme 'Employees Stock Options Scheme 2020 (ESOS - 2020) under the applicable SEBI Regulations for the purposes of granting options to the eligible Employees/Directors of the Company including grant of options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions, if any) of the company.

As per SEBI SBEB Regulations, the main features of the aforesaid Scheme are set out below:

a) Brief Description of the Scheme

With the objectives of securing greater employee participation; motivating the employees to contribute to the growth and profitability of the Company; it is proposed to grant employee stock options to employees through Employee Stock Option Scheme, 2020 ('ESOS - 2020'). This would not only enable the Company to reward their loyalty, performance, commitment and support but also to attract and retain the best talent besides enabling the employees to develop a greater sense of ownership with the organization.

b) The total number of Options to be granted

A maximum of 1,60,00,000 (One Crore Sixty Lacs Only) Options convertible into 1,60,00,000 (One Crore Sixty Lacs Only) Shares of the face value of Rs. 10/- each of the Company, which will be granted to the eligible employees as may be decided by the Nomination & Remuneration Committee from time to time on such terms and conditions as may be determined by it in accordance with the ESOS - 2020 and the SEBI SBEB Regulations.

Each option (after it is vested) will be exercisable for one Equity share of Rs. 10 each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise would be available for being re-granted at a future date.

c) Identification of classes of Employees entitled to participate in the Scheme

All permanent employees of the Company whether working in India or abroad, as may be decided by the Board, from time to time, would be entitled to participate in ESOS - 2020.

Employees may be granted Stock Options based on performance and such other criteria as the Board may, in its absolute discretion decide. The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

The following persons will not be eligible for grant of Options:

- An employee who is a promoter or belongs to the promoter group; or
- A director, who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity Shares of the Company; or
- Independent Directors

d) Requirements of Vesting and period of Vesting

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The Options granted under ESOS, 2020 will vest as under:

1. 25% of the options: at the end of year 3 from date of grant.
2. 25% of the options : at the end of year 4 from date of grant
3. 25% of the options : at the end of year 5 from date of grant
4. 25% of the options : at the end of year 6 from date of grant

The Board may, in its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such Performance-based vesting, and the proportion in which options granted under ESOS - 2020 would vest.

e) Maximum period within which the Options shall be vested

The Options granted under the ESOS - 2020 will vest for a period of 6 years from the date of grant of such Options as mentioned in clause (c)

f) Exercise price or Pricing formula

The exercise price shall be the Market Price of the Equity Shares or at such discount or premium to the Market Price of the Equity Shares as may be determined by the Board but shall not be less than the face value of Equity Shares.

The Board will determine the exercise price in case of each grant subject to the same not being less than the face value of the equity shares of the Company and not more than the 'market price' (that is, latest available closing price on a recognised stock exchange, having highest trading volume, on which the equity shares of the Company are listed) of the equity shares at the time of grant.

The full exercise price along with applicable taxes, if any, shall be paid to the Company upon exercise of the Options in terms of the ESOS - 2020.

g) Exercise period and process of exercise

The Exercise period would commence from the date of vesting and will expire after 1 year from the date of each vesting.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

h) Appraisal / Assessment Process for determining the eligibility of employees for the Scheme.

The appraisal process for determining the eligibility would be determined by the Remuneration Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross functional relationship, corporate governance, Company's values, etc.

i) Maximum number of Options to be issued per Employee and in aggregate

The maximum number of Options in aggregate that may be granted under ESOS - 2020 shall not exceed 1,60,00,000 (One Crore Sixty Lacs Only).

The number of options that may be granted to employees under ESOS - 2020 shall be determined by the Nomination & Remuneration Committee from time to time.

However, the maximum number of Options that may be granted per Eligible Employee under ESOS 2020, in any financial year, shall not be more than 0.25% of the issued and paid-up equity share capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.

j) Maximum quantum of benefits to be provided per employee under the Scheme

The maximum quantum of benefits underlying the 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 Option Exercise Price and the market price of the equity shares on the exercise date.

k) ESOS – 2020 is proposed to be implemented and administered by the Company directly.

l) ESOS – 2020 shall involve new issue of equity shares by the Company.

m) The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms etc. – Not applicable

n) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme – Not applicable, as ESOS - 2020 will be administered directly by the Company.

o) Disclosure & Accounting policies

The Company shall comply & conform with the disclosure & accounting policies specified in the said SEBI SBEB Regulations, as may be applicable.

p) Method of valuation of Options

The Company shall follow the prescribed method under applicable laws to value the options.

q) In case the Company opts for expensing of share based employee benefits using the intrinsic value, 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, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Director's report.

As per Regulation 6(1) of the SEBI SBEB Regulations, any Employees Stock Option Scheme must be approved by way of a special resolution. Further, consent of the members as set out at Item No. 2 of the Notice is being sought pursuant to Section 62(1) (b) of the Companies Act.

As per Regulation 6(3) (d) of the SEBI SBEB Regulations, approval of the shareholders by way of a separate resolution is required to be obtained, in case grant of options to eligible employees, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options is proposed to be made.

Since it is proposed to grant options to the Eligible Employees to the extent of 1% or more of the issued capital of the Company at the time of grant, resolution set out in Item No. 3 is placed for approval of the members.

The options to be granted / shares to be issued under the ESOS - 2020 shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

The Board commends passing of the Special Resolution as set out at Item Nos. 2 & 3 in relation to the ESOS - 2020, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except to the extent of securities that may be offered to them individually under ESOS - 2020, is in any way, concerned or interested in these resolutions.

By order of the Board
For **Vascon Engineers Limited**

Sd/-
Vibhuti Darshin Dani
Company Secretary & Compliance Officer
Membership No: F7453

Date: August 08, 2020

Place: Pune