



MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED

CIN: L31909TG1999PLC032184

Reg Office: Plot No. 83&84, 2nd Floor, Punnaiah Plaza, Road No. 2, Banjara Hills, Hyderabad – 500034, India

Tel: 040-6622-9292, Fax: 040-6622-9393

Website: www.moschip.com, Email id: investorrelations@moschip.com

To
The Shareholders

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Management and Administration) Rules, 2014, (the 'Rules'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations') and other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) that the Special Resolutions appended below are proposed to be passed by the Shareholders by way of postal ballot / voting by electronic means ('e-Voting'). The explanatory statement pertaining to the said resolutions setting out the material facts and the reasons thereof is annexed hereto along with the postal ballot form (the 'Form' or the 'Postal Ballot Form').

In compliance with the provisions of Section 108 and 110 of the Act read with the Rules and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company is pleased to provide e-Voting facility as an alternative to enable the Shareholders to cast their votes electronically instead of through the Postal Ballot Form(s).

Mr. B S S & Associates, Practicing Company Secretaries, who is not in the employment of the Company and is in the opinion of the Board, capable of conducting the postal ballot process in a fair and transparent manner, has been appointed as the Scrutinizer (the 'Scrutinizer') for conducting the postal ballot process.

You are requested to peruse the proposed resolutions along with the explanatory statement and carefully read the instructions that form part of this Postal Ballot Notice ('Notice') and return the Form in original duly filled and signed (at the marked places in the Form) along with your vote, as Assent (FOR) or Dissent (AGAINST) for the said resolutions, in the attached self-addressed, postage prepaid reply envelope, so as to reach the Scrutinizer by 5:00 p.m.(IST) on Tuesday, January 15th, 2019. Please note that any form received after the said date and time will be strictly treated as if the reply from the Shareholder has not been received.

Shareholders having equity shares in demat form or in physical form may vote either by way of Postal Ballot or by way of e-voting. For the purpose of e-voting, the Company has engaged the services of Karvy Computershare Private Limited ("Karvy"). In case a Shareholder has voted through e-voting facility, he/she is not required to send the physical form to the Scrutinizer.

The Scrutinizer shall submit his report after completion of scrutiny of Forms and e-Voting. The results of voting by Postal Ballot (i.e. through the Postal Ballot Forms and e-Voting) will be declared on or before 17th day of January, 2019 at the Registered Office of the Company at Plot No. 83 & 84, 02nd Floor, Punnaiah Plaza, Road No. 02, Banjara Hills, Hyderabad, Telangana 500 034. The results along with the Scrutinizer's Report will be displayed at the Registered Office of the Company. The results shall be communicated to the Stock Exchange and the same along with the Scrutinizer's Report will be displayed on the Company's website www.moschip.com.

Item No. 01:

Appointment of Mr. Venkata Sudhakar Simhadri (DIN: 01883241) as a Director

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

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, Mr. Venkata Sudhakar Simhadri (DIN: 01883241), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 26, 2018, and who holds office until the date of the next annual general meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Venkata Sudhakar Simhadri as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company."

Item No. 02:

Appointment of Mr. Venkata Sudhakar Simhadri (DIN: 01883241) as the Managing Director 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 Sections 196, 197 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and subject to the approval of Central Government and such other approvals as may be necessary, consent of the members be and is hereby accorded to the appointment of Mr. Venkata Sudhakar Simhadri (DIN: 01883241) as the Managing Director of the Company for a period of 5 years upon the following terms and conditions including remuneration payable to him for a period of 3 (Three) years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, with liberty to the Board of Directors from time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Mr. Venkata Sudhakar Simhadri and as may be permissible at law:

a. Period

Five years w.e.f. 26th October, 2018 to 25th October, 2023 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

b. Remuneration

Remuneration is only for a period of Three years i.e. 26th October, 2018 to 25th October, 2021.

- i) Fixed Salary: Monthly salary of Rs. 12,00,000 /- (Rupees Twelve Lakhs only) by way of Salary, Dearness Allowance and any other allowances and perquisites with annual or mid-term increments as approved by the Board/Committee of the Board.
- ii) Variable Pay: Shall be paid Annual Variable pay of Rs. 24,00,000 /- to the Appointee if the Consolidated operating Revenue exceeds the base operating Revenue by more than 15 %. The Variable pay shall be determined by the Nomination & Remuneration Committee and paid within 30 days from the date, the annual financial results of the Company (on a consolidated basis) are approved by the Board of Directors of the Company.

c. Commission

Where the Company has sufficient profits, such percentage of Commission on the net profits of the company be paid in addition to salary and perquisites as may be determined by the Board of Directors of the Company at the end of each financial year; and such percentage of commission together with the salary and perquisites paid during the financial year shall not exceed 5% of the net profits, subject to overall ceilings stipulated in Sections 197 and 198 of the Companies Act, 2013, read with Schedule V of Companies Act, 2013 as amended from time to time.

d. Employment benefits:

During the term of his employment, Mr. Venkata Sudhakar Simhadri will be entitled to participate in the employee benefit plans of the Company including Employee Stock options, medical insurance, personal accidental insurance, employer's contribution to provident fund, contribution to retirement benefits such as contribution to Gratuity fund over and above the amounts mentioned in clause b above."

The aggregate of the remuneration and perquisites in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

Provided that where, in any financial year, the Company has no profits, or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to Mr. Venkata Sudhakar Simhadri as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approvals as may be required under law.

"RESOLVED FURTHER THAT Mr. Suresh Bachalakura, Company Secretary, be and is hereby authorized to make requisite applications seeking necessary approvals permissions etc. and to deal with all Statutory/Regulatory/other Authorities to give effect to the above resolution."

Item No. 03:

Approval for MosChip Employees Stock Option Plan 2018 for employees 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 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the ‘Act’), read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (‘SEBI ESOP Regulations’), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Listing Regulations’), the circulars /guidelines issued by the Securities and Exchange Board of India (‘SEBI’), the Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions as maybe necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall include the Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as the ‘Compensation Committee’ under the SEBI ESOP Regulations or their delegated authority and 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 the formulation and implementation of ‘MosChip Employees Stock Option Plan 2018’ (the ‘ESOP Plan 2018’) and for creation, grant, offer, issue and allotment, from time to time and in one or more tranches, stock options not exceeding 10,000,000 (Ten Million) to or for the benefit of (i) such person(s) who are permanent employees of the Company, whether working in India or outside India; (ii) directors of the Company, whether whole-time or not but excluding independent director(s) and; (iii) such other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time, but excluding (i) an employee /director who is a promoter or a person belonging to the promoter group and (ii) director(s) who either himself or through his relative(s) or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company (the ‘Eligible Employees’), which would give rise to the issue of not more than 10,000,000 (Ten Million) equity shares of the face value of Rs. 02 /- (Rupee Two only) each and to provide for grant and subsequent vesting and exercise of stock options by the Eligible Employees at such price and on such terms and conditions as maybe determined by the Board in accordance with the provisions of the ESOP Plan 2018 as summarized in the explanatory statement annexed hereto and in due compliance with the SEBI ESOP Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of equity shares, sale of division/undertaking and others, the ceiling as aforesaid of 10,000,000 (Ten Million) equity shares shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under the ESOP Plan 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect the ESOP Plan 2018 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend any of the terms and conditions of the ESOP plan 2018 or terminate ESOP Plan 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose

and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP Plan 2018 and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT the equity shares so issued and allotted under the ESOP Plan 2018 shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the ESOP Plan 2018 on the Stock Exchange, where the equity shares of the Company are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI ESOP Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP Plan 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things as it may in its absolute discretion deem necessary including appointment of various intermediaries, advisors, consultants or representatives for effective implementation and administration of the ESOP Plan 2018 as also to make applications to the appropriate authorities for obtaining their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such deeds, documents and 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 the ESOP Plan 2018 and to take all such steps and do all acts as may be incidental or ancillary thereto.”

Item No. 04:

Approval for extending MosChip Employees Stock Option Plan 2018 For employees of the Subsidiaries 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 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the ‘Act’), read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (‘SEBI ESOP Regulations’), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Listing Regulations’), the circulars /guidelines issued by the Securities and Exchange Board of India (‘SEBI’), the Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions as maybe necessary and such conditions and modifications

as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authority and 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 extend the benefits of 'MosChip Employees Stock Option Plan 2018' (the 'ESOP Plan 2018') referred to in the Special Resolution under Item No. 03 of this Postal Ballot Notice, to or for the benefit of (i) such person(s) who are permanent employees of any subsidiary companies of the Company, whether working in India or outside India; (ii) directors of subsidiary companies of the Company, whether whole-time or not but excluding independent director(s); and (iii) such other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time, but excluding (i) an employee/ director who is a promoter or a person belonging to the promoter group; and (ii) director(s) who either himself or through his relative(s) or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company (the 'Eligible Employees').

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, decide upon and bring into effect the ESOP Plan 2018 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend any of the terms and conditions of the ESOP plan 2018 or terminate ESOP Plan 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP Plan 2018 and do all other things incidental to and ancillary thereof.

Item No. 05:

To consider and, if thought fit, to pass the following resolution, as a Special Resolution, for change in the name of the Company from 'MosChip Semiconductor Technology Limited' to 'MosChip Technologies Limited' and consequent amendment to Memorandum of Association and Articles of Association of the Company:

"RESOLVED THAT pursuant to Section 13(2) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from **"MosChip Semiconductor Technology Limited"** to **"MosChip Technologies Limited"** or any other name as may be approved by the Central Government, Registrar of Companies, Hyderabad and other Regulatory Authorities, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

RESOLVED FURTHER THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

1. The Name of the Company is MosChip Technologies Limited

RESOLVED FURTHER THAT the extant name of the Company wherever appearing in the Memorandum and the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

RESOLVED FURTHER THAT Mr. Venkata Sudhakar Simhadri, Managing Director or Mr. Suresh Bachalakura, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds or things as may be deemed necessary to give effect to this resolution.”

By Order of the Board of Directors

**Hyderabad
10th December, 2018**

**CS Suresh Bachalakura
Company Secretary**

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice, is annexed hereto.

2. Members are requested to notify immediately any change in their address to the company or to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay.

3. In all correspondence with the company, members are requested to quote their folio numbers and in case their shares are held in dematerialized form they must quote their Client ID Number and their DP ID Number.

4. Trading in the equity shares of the company is in the compulsory Demat form. Those members who have not demated their shares are requested to open the Demat accounts with the depositories and get the shares demated at the earliest.

5. In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, the Company is offering e-voting facility to all the members of the Company and will be facilitating e-voting to enable the members to cast their votes electronically instead of dispatching the Postal Ballot Form.

6. The business may be transacted through e-voting services provided by Karvy Computershare Private Limited (“Karvy”).

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <http://evoting.karvy.com>. Shareholders can cast their vote online from 9 a.m. on 16th December, 2018 to 5 p.m. on 15th January, 2019. During the period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date of 07th December, 2018, may cast their vote electronically.

7. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being

forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

8. The Company has appointed B S S & Associates, Practicing Company Secretary as Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 07th December, 2018 only shall be entitled to avail the facility of e-voting/ Postal Ballot.

9. Any person who becomes a member of the Company after dispatch of the Notice of the Postal Ballot and holding shares as on the cut-off date i.e. 07th December, 2018 may obtain the User ID and password in the manner as mentioned below.

10. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

a. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

b. Member may call Karvy's toll free number 1-800-3454-001

c. Member may send an e-mail request to evoting.msctl@karvy.com.

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through e-voting.

1. The e-voting facility will be available during the following period:

Commencement of e-voting: From 9.00 a.m. (IST) on 16th December, 2018

End of e-voting: Up to 5.00 p.m. (IST) on 15th January, 2019

The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

2. The Scrutinizer, after scrutinizing the votes cast by postal ballot (physical forms) and through e-voting, will, on 17th January, 2019 make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website [Karvyhttps://evoting.karvy.com](https://evoting.karvy.com). The results shall simultaneously be communicated to the Stock Exchange.

3. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the last date of voting, i.e. 15th January, 2019.

4. Instructions and other information relating to e-voting:

A. (i) In case a member receives an e-mail from Karvy for members whose e-mail addresses are registered with the Company / Depository Participant(s):

(a) Launch internet browser by typing the URL: <https://evoting.karvy.com>

(b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

(c) After entering these details appropriately, click on "LOGIN".

(d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the E-Voting Event Number for MosChip Semiconductor Technology Limited.

(g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" 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 as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

(h) Members holding shares under multiple folios / Demat accounts shall choose the voting process separately for each of the folios / Demat accounts.

(i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(j) You may then cast your vote by selecting an appropriate option and click on "Submit".

(k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

(l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) 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 at e-mail ID: srkpcs99@gmail.com. They may

also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(ii) In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s):

a) User ID and initial password - These will be sent separately.

b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.

B. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

C. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

D. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Ballot and e-voting, then voting done by e-voting shall prevail and voting done through valid Physical Ballot will be treated as invalid.

E. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Shareholders will also be accepted.

F. As required by Rule 22 of the Companies (Management and Administration) Rules, 2014, details of dispatch of Notice and Postal Ballot Form to the Shareholders will be published in at least one English language and one vernacular language newspaper circulating in Hyderabad, Telangana

G. All documents proposed for approval, if any, in the above Notice and documents specifically stated to be open for inspection in the Explanatory Statement are open for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out material facts relating to the business under Item No. 01, 02, 03,04 and 05 accompanying Notice dated on 10th December, 2018.

Item No. 01 & 02

The Board in its meeting held on July 23, 2018, appointed Mr. Venkata Sudhakar Simhadri as Chief Executive Office of the Company w.e.f. July 24, 2018. On recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 26th October, 2018, appointed Mr. Venkata Sudhakar Simhadri, as Additional Director and designated him as the Managing Director of the Company for a period of five (5) years with effect from 26th October, 2018 to 25th October, 2023.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Venkata Sudhakar Simhadri for the office of director.

The Company has received from Mr. Venkata Sudhakar Simhadri (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) Notice of interest in Form MBP-1 in terms of section 184 (1), and other applicable provisions of the Companies Act, 2013.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I				
General Information				
(1)	Nature of Industry	Technology and technology enabled services		
(2)	Date or expected date of commencement of commercial production	August 01, 2000		
(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
(4)	Financial performance based on given indicators	Description	Rs. in Lakhs	
			2017-18	2016-17
		Total revenue	4,690.16	1,859.13
		Total expenses	5,882.34	1,969.96
		Loss before tax	1,192.18	110.83
		Loss after tax	1192.18	110.83
(5)	Foreign investments or collaborators, if any	<p>As per the shareholding pattern as on September 30, 2018:</p> <p>i. 8,15,31,739 Equity Shares representing 59.23% was held by OSHIN GLOBAL PTE LIMITED, holding Company.</p> <p>ii. 41,33,412 Equity Shares representing 3% was held by Foreign Nationals & NRIs.</p> <p>iii. 28,96,019 Equity Shares representing 2.10% was held by overseas corporate bodies.</p> <p>The Company has not entered into any foreign collaboration.</p>		

II		
Information about the appointee		
(1)	Background details	Mr. Venkata Sudhakar Simhadri is a serial entrepreneur and proven executive in the semiconductor industry. He is the Founder, President & CEO of Gigacom Semiconductor LLC &

		<p>Founder / Director of Gigacom India (which are under acquisition by MosChip) and the driving force behind establishing IP licensing and design services business with leading semiconductor companies. Earlier to Gigacom, Mr. Venkata Sudhakar Simhadri was the Founder, President & CEO of Time-to-Market (TTM) from 1998 till its acquisition by Cyient in 2008 and was its head of Hi-tech Business Unit till 2012. Mr. Venkata Sudhakar Simhadri has 30 years of experience, primarily working in the USA and India region. He did his B.E. from Andhra University and MS from New Jersey Institute of Technology (NJIT).</p>
(2)	Past remuneration	The Past Remuneration as CEO of the Company is same that is proposed now for Managing Director.
(3)	Recognition or awards	-----
(4)	Job profile and suitability	As Managing Director & CEO of the Company he is responsible for the complete operations of the Company. He is entrusted with to perform such duties and exercise such powers as have been or may from time to time be entrusted or conferred upon him by the Board. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Managing Director of the Company.
(5)	Remuneration proposed	<p>a. <u>Period</u></p> <p>26th October, 2018 to 25th October, 2021.</p> <p>b. <u>Remuneration</u></p> <p>Remuneration is only for a period of Three years i.e. 26th October, 2018 to 25th October, 2021.</p> <p>i) Fixed Salary: Monthly salary of Rs. 12,00,000 /- (Rupees Twelve Lakhs only) by way of Salary, Dearness Allowance and any other allowances and perquisites with annual or mid-term increments as approved by the Board/Committee of the Board.</p> <p>ii) Variable Pay: Shall be paid Annual Variable pay of Rs. 24,00,000 /- to the Appointee if the Consolidated operating Revenue exceeds the base operating Revenue by more than 15 %. The Variable pay shall be determined by the Nomination & Remuneration Committee and paid within 30 days from the date, the annual financial results of the Company (on a consolidated basis) are approved by the Board of Directors of the Company.</p>

			<p><u>c. Commission</u></p> <p>Where the Company has sufficient profits, such percentage of Commission on the net profits of the company be paid in addition to salary and perquisites as may be determined by the Board of Directors of the Company at the end of each financial year; and such percentage of commission together with the salary and perquisites paid during the financial year shall not exceed 5% of the net profits, subject to overall ceilings stipulated in Sections 197 and 198 of the Companies Act, 2013, read with Schedule V of Companies Act, 2013 as amended from time to time.</p> <p><u>d. Employment benefits:</u></p> <p>During the term of his employment, Mr. Venkata Sudhakar Simhadri will be entitled to participate in the employee benefit plans of the Company including Employee Stock options, medical insurance, personal accidental insurance, employer’s contribution to provident fund, contribution to retirement benefits such as contribution to Gratuity fund over and above the amounts mentioned in clause b above.”</p> <p>The aggregate of the remuneration and perquisites in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where, in any financial year, the Company has no profits, or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to Mr. Venkata Sudhakar Simhadri as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approvals as may be required under law.</p>
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Mr. Venkata Sudhakar Simhadri is on par with the remuneration prevailing in the company of similar size in the same industry and the remuneration to be paid would be restricted to the ceiling prescribed under Schedule V of the Companies Act, 2013.

	(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Venkata Sudhakar Simhadri doesn't have any pecuniary relationship with the Company other than the remuneration payable to him as Managing Director & CEO of the Company. He is working with the Company purely in a professional capacity. There is no relationship with other managerial personnel in the Company.
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III	Other Information		
	(1)	Reasons for loss or inadequate profits	The Company has invested considerable amounts in new business areas. In view of the gestation period involved in these initiatives, the Company incurred losses.
	(2)	Steps taken or proposed to be taken for improvement	The benefits of these investments will be seen in the coming years. Company is focusing on mixed signal intellectual property and full suite of design services that include physical design & Analog layout. In addition, Company has consolidated its hardware and firmware design services into product engineering services. The Company also plans to expand its operation in Multiple geographies including USA
	(3)	Expected increase in productivity and profits	The Company is working to increase the revenue with emphasis on increasing IP portfolio and focusing on IP enabled services.

IV	Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013		
	Sl. No.	Particulars	Mr. Venkata Sudhakar Simhadri
	(1)	Age	55
	(2)	Qualification	BE, MS
	(3)	Experience	30 years
	(4)	Date of first appointment on the Board	26-10-2018
	(5)	Terms and conditions of appointment	As set out in the resolution item no. 02
	(6)	Remuneration last drawn	Nil
	(7)	Details of remuneration sought to be paid	As set out in the resolution item no. 02
	(8)	Shareholding in the company	45,16,634
	(9)	Relationship with other Directors	NONE
	(10)	Number of meetings of the Board attended during the year	Not applicable
	(11)	Other Directorships	04
(12)	Membership/Chairmanship of Committees of other Boards	NIL	

The resolution in Item no. 01 seeks the approval of the members for regularization of Mr. Venkata Sudhakar Simhadri as a Director of the Company.

The resolution in Item no. 02 seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made

thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) for the appointment of Mr. Venkata Sudhakar Simhadri as a Managing Director of the Company.

No director, key managerial personnel or their relatives, except Mr. Venkata Sudhakar Simhadri, to whom the resolutions relate, is interested or concerned in the resolution.

The Board recommends the Ordinary Resolution set out in Item No. 01 and Special resolution set out in Item no. 02 for the approval of members.

Item No. 03 & 04:

The Company is contemplating to design long term incentive plan in order to attract, reward and retain talented and key employees in the competitive environment and encourage them to align individual performance with the organizational goals. The Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the 'Compensation Committee' under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations') or their delegated authority) has proposed MosChip Employees Stock Option Plan 2018 (the 'ESOP Plan 2018'). As members are aware, employee stock option plans are considered as an effective tool to attract and retain the best talent and also serves to attract, incentive and motivate professionals and reward exceptional performance.

The number of equity shares to be issued and allotted under the ESOP Plan 2018 shall not exceed 01 % paid-up equity shares of the Company. In case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of equity shares, sale of division/undertaking and others, the equity shares shall be increased/decreased to facilitate making a fair and reasonable adjustment to the entitlements of participants under the ESOP Plan 2018.

The salient features of the ESOP Plan 2018 are set out below as per the SEBI circular:

a. Brief description of the Scheme - ESOP Plan 2018

The Company proposes to introduce ESOP Plan 2018 to attract, reward and retain talented and key eligible employees of the Company in the competitive environment and encourage them to align individual performance with the organizational goals. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come.

b. Total number of Options to be granted

The total number of options to be granted under ESOP Plan 2018 shall not exceed 10,000,000 (Ten Million). Each option when exercised shall be converted into 1 (one) fully paid up equity share of the Company having face value of Rs.2/- (Rupees Two only) each. The options may be granted in one or more tranches as may be decided by the Committee. This ceiling will be adjusted for any future bonus issue of equity shares or stock splits or consolidation of equity shares and also may further be adjusted at the discretion of the Board for any corporate action(s).

The Options which do not vest, would be available for being re-granted at a future date. The Board is authorized to re-grant such Options as per the provisions of ESOP Plan 2018, within the overall limit stated above, subject to the SEBI ESOP Regulations.

c. Identification of class of employees entitled to participate in the ESOP Plan 2018

Following classes of employees are entitled to participate in the ESOP Plan 2018:

- (i) Permanent employees of the Company and its subsidiary companies (collectively referred to as the 'Group') whether working in India or outside India;
- (ii) Directors of the Group, whether whole-time or not but excluding independent directors;
- (iii) such other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time.

Following persons are not entitled to participate in the ESOP Plan 2018:

- a) an employee / director who is a promoter or a person belonging to the promoter group; and
- b) a director who either by himself or through his relative(s) or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

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

The Board may, at its discretion, lay down certain performance matrix on the achievement of which such Options can vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, subject to the minimum vesting period of one year between grant of Options and vesting of Options. The maximum vesting period may extend up to 04 (four) years from the date of grant of Options or such other period as may be decided by the Board. The Board may also provide for lock-in provisions.

e. Exercise price or pricing formula

Subject to the SEBI ESOP Regulations, the exercise price shall be fixed by the Board at its discretion and will be specified in the grant letter but the same shall not be higher than the market price (i.e. latest available closing price on the stock exchange where the equity shares of the Company are listed) of the equity shares at the time of grant and not less than the face value of the equity shares of the Company. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI ESOP Regulations.

f. Exercise period and the process of Exercise

Exercise Period would commence from the vesting date and would expire not later than 04 (Four) years from the date of grant of Options or such other period as may be decided by the Board. The vested Options are exercisable by the eligible employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on execution of such documents, as may be prescribed by the Board from time to time. The Options shall lapse if not exercised within the Exercise Period.

g. Appraisal process for determining the eligibility under the ESOP Plan 2018

The appraisal process for determining the eligibility shall be decided by the Board from time to time.

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

The total number of Options that may be granted to any specific employee under the ESOP Plan 2018 shall in no event be equal to or more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of options.

i. Maximum quantum of benefits to be provided per employee under the ESOP Plan 2018

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. I.e. Difference between the Options grant Price and the market price of the equity shares on the exercise date.

j. Whether ESOP Plan 2018 is to be implemented and administered directly by the Company or through a trust

ESOP Plan 2018 will be implemented directly by the Company.

k. Whether the ESOP Plan 2018 involves new issue of shares by the Company or secondary acquisition by the trust or both

ESOP Plan 2018 contemplates new issue of 10,000,000 (Ten Million) equity shares by the Company.

l. The provision of money for implementation of the ESOP Plan 2018 by the Company to the trust, its tenure, utilization, repayment terms, etc.

Not applicable.

m. Maximum percentage of Secondary Acquisition that can be made by the trust for the purpose of the scheme

Not applicable

n. Statement to the effect that the Company shall conform to the accounting policies specified in Regulations 15

The Company shall follow the requirements of the 'Guidance Note on Accounting for employee 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 the disclosure requirements prescribed therein. Where the existing Guidance Note or Accounting/ Standard do not prescribe accounting treatment or disclosure requirements for any of the Plans covered under these regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

o. Method of valuation of Options

The Company shall use the Fair Value method for valuation of the Options granted to calculate the employee compensation cost.

p. Declaration

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employees 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 Directors' Report.

Regulation 6(1) of the SEBI ESOP Regulations requires that every employee stock option scheme shall be approved by the members of the company by passing a special resolution in a general meeting. Further, as ESOP Plan 2018 may entail further issue of equity shares, consent of the members is required by way of a special resolution pursuant to Section 62(1)(b) of the Companies Act, 2013. Accordingly, the Special Resolutions set out at Item No. 03 & 04 of this Notice is proposed for approval by members.

As per the SEBI ESOP Regulations, approval of member(s) by way of a separate Special Resolution is also required to be obtained by the Company, if (i) the benefits of the ESOP Plan 2018 are to be extended to the employees of the subsidiary Company.

The Options to be granted under the ESOP Plan 2018 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The ESOP Plan 2018 conforms to the SEBI ESOP Regulations.

Draft scheme of the ESOP Plan 2018 is available for inspection at the Registered Office of the Company at Plot No. 83 & 84, 02nd Floor, Punnaiah Plaza, Road No. 02, Banjara Hills, Hyderabad, Telangana 500 034, between 2.00 p.m. and 5.00 p.m. on all working days (except Saturday, Sunday and Holidays) up to the date of announcement of the results of this postal ballot.

Item no. 05

Moschip Semiconductor Technology Ltd. was established in late 1999 and was focused on semiconductor products and IP till 2009. Subsequently, company transformed into a design services company doing SoC design & development, ASIC design & Verification services, System Engineering services and related embedded software services.

With the acquisitions in 2016 & 2018, MosChip has added to its portfolio a host of capabilities which enable it to focus on Internet of Things (IoT), mixed signal intellectual property and physical design and analog layout along with full suite of design services.

Given this change in mix of capabilities, diversified portfolio of technology offerings and revenue, the Board of Directors of the Company through Circular Resolution approved the Change of name of the Company from 'MosChip Semiconductor Technology Limited' to 'MosChip Technologies Limited' as approved by the Ministry of Corporate Affairs (MCA) / Registrar of Companies (ROC).

The Ministry of Corporate Affairs / Registrar of Companies has confirmed that the new name is available under Section 4 of the Companies Act, 2013 for the change of name and subject to the approval of shareholders through special resolution and in principle approval from BSE Limited.

Accordingly, pursuant to the provisions of the Companies Act, 2013, your Directors recommend and seek the approval of shareholders by way of Special Resolution through Postal Ballot including e-voting for the resolution appearing in Item No.5 of the accompanying Postal Ballot Notice for change of name of the company from 'MosChip Semiconductor Technology Limited' to 'MosChip Technologies Limited' and consequential amendment of Memorandum of Association and Article of Association of the Company.

The draft of the revised Memorandum of Association and Article of Association reflecting the said change is available for inspection by the members at the registered office of the Company on all working days except Saturday & Sunday and holidays (from 2:00 P.M. to 05:00 P.M.) upto the date of closing of e-voting or last date of receipt of Postal Ballot Forms.

Directors / Key Managerial Personnel of the Company /their relatives who may be granted Options under the ESOP Plan 2018 may be deemed to be concerned or interested in the Special Resolutions at Item No. 02, 03, 04 & 05 of this Postal Ballot Notice. Save as aforesaid, none of the Directors /Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

The Board recommends the Special Resolutions set out in Item Nos. 03, 04 & 05 for the approval of members.

Hyderabad
10th December, 2018.

By Order of the Board of Directors

CS Suresh Bachalakura
Company Secretary