



**ANNUAL
REPORT
2007-08**

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Dish TV India Limited

Regd. Office: B-10, Essel House, Lawrence Road, Industrial Area, Delhi - 110 035
Corporate Office: FC-19, Sector-16A, Noida (U.P.) - 201 301

NOTICE

Notice is hereby given that the **20th Annual General Meeting** of the Members of Dish TV India Ltd. will be held at NCUI Auditorium, 3 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 on Thursday, the 28th day of August, 2008, at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008, the Profit and Loss account of the Company for the financial year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Bhagwan Dass Narang, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kurien, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. MGB & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Eric Louis Zinterhofer who was appointed by the Board of Directors as an additional Director of the Company with effect from October 22, 2007 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the applicable provisions of the Articles of Association of the Company, the Companies Act, 1956 ("the Act") and the SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) approval and consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include the Remuneration Committee or Employee Stock Option Committee of the Board) to re-price the stock options already granted by the Company under the Employees Stock Option Scheme - 2007 ('Scheme' or 'ESOP 2007') approved by the shareholders in their meeting held on August 3, 2007 in accordance with the SEBI Guidelines.

RESOLVED FURTHER THAT such re-pricing of the options already granted, be done at a price which is equal to 'market price' within the meaning of, and as defined, in the SEBI Guidelines without any change or modification in the vesting period/schedule, exercise period and/or any other specific terms and conditions under which such options have been granted."

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement(s) with the Stock Exchange(s) and pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 or any amendment, re-enactment or modification thereof and subject to such other approvals, permissions and sanctions as may be necessary, and such other conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company ('the Board') or any Committee / person(s) authorised by the Board, consent be and is hereby accorded to de-list the Equity Shares of the Company from the Calcutta Stock Exchange Association Limited (CSE)."

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

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered in the manner following:

- (i) After Article 49, the following new Article headed '**Buy Back of Shares**' and numbered **49A** shall be inserted as under:

Buy Back of Shares

49A. Notwithstanding anything contained in these Articles, but subject to provisions of Sections 77A and 77B of the Act, the Company may purchase its own shares or other specified securities (hereinafter referred to "Buy-Back") out of—

- (a) its Free Reserve; or
- (b) the Securities Premium Account; or
- (c) the proceeds of any Shares or other specified securities,

in accordance with the provisions of Sections 77A and 77B and Rules prescribed by the Central Government and/or by Securities and Exchange Board of India in this behalf, provided that nothing herein contained shall be deemed to affect the provisions of Sections 100 to 104 and Section 402 of the Act in so far as and to the extent they are applicable."

- (ii) After Article 70, the following new Article headed '**Variation of Shareholders Rights**' and numbered **70A** shall be inserted as under:

Variation of Shareholders Rights

- 70A.** (a) If at any time the Share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall, to the extent consistent, apply.
- (b) The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

- (iii) **Article 102** shall be deleted and the following new Article substituted therefor:

102. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney of the Company, be signed by any one of the Directors or authorized officers of the Company."

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 12, 2008 to Thursday, August 14, 2008 (both days inclusive).

By order of the Board

Place : Noida
Date : July 28, 2008

Jagdish Patra
Company Secretary

Registered Office:
B-10, Essel House,
Lawrence Road, Industrial Area,
Delhi - 110 035

NOTES:

1. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.**
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.

4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, relevant information in respect of Directors seeking appointment/reappointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
5. Members/Proxies should bring their Attendance Slips along with copy of the Annual Report to the meeting.
6. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
7. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
8. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.
9. Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent M/s Sharepro Services (India) Pvt. Ltd., Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai-400 099, India.
10. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to M/s. Sharepro Services (India) Pvt. Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Eric Louis Zinterhofer was appointed on October 22, 2007, as an Additional Independent Non-Executive Director of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act").

Mr. Zinterhofer vacates his office at this Annual General Meeting pursuant to the provisions of Section 260 of the Act. Due notice under Section 257 of the Act has been received from a Member proposing Mr. Zinterhofer's appointment as Director of the Company. Mr. Zinterhofer, has filed requisite consent to act as a Director, if appointed.

Mr. Zinterhofer does not hold any shares in the Company.

None of the Directors of the Company, except Mr. Zinterhofer is interested in the Resolution.

Your Directors recommend the Ordinary Resolution for the approval of the members.

ITEM NO. 6

With a view to provide the employees of the Company a share in the growth of the Company, and to attract, retain and motivate the best available talent in the Company, pursuant to the approval of the Members of the Company in the meeting held on August 3, 2007, your Company had evolved an Employees Stock Option Scheme 2007 (ESOP 2007) and granted 3,257,550 stock options to certain employees of the Company at market price determined under SEBI Guidelines beginning August 2007, of which 1,883,550 options are outstanding after adjusting for the options lapsed due to resignations of certain employees. Due to the recent volatility in the market and consequent fall in the price of the equity shares of the Company, such granted options which would vest in the employees in future have become unattractive.

Your Directors, therefore, propose to re-price the options already granted at the current market price without any change or modification in the vesting or exercise period/schedule. Re-pricing of options not exercised (i.e. options already granted and/or vested but not exercised) is permissible under the SEBI Guidelines subject to the approval of the shareholders. The proposed re-pricing will be in compliance of the SEBI Guidelines and all other terms of ESOP 2007 under which such options have been granted shall remain unchanged.

None of the Directors of the Company is, in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under ESOP 2007.

Your Directors recommend the Special Resolution for the approval of the members.

ITEM NO. 7

The Equity Shares of the Company are presently listed on Bombay Stock Exchange Limited, Mumbai ('BSE'), National Stock Exchange of India Limited, Mumbai ('NSE') and Calcutta Stock Exchange Association Limited, Kolkata ('CSE')

The trading of Company's shares on the BSE & NSE, who have extensive network of nationwide trading terminals, are in material volumes and in the case of CSE, the trading volumes in the Company's shares are nil/in-significant. Hence, the continued listing of the Equity Shares of the Company on CSE neither serves the interest of the Members/Investors nor that of the Company.

The Board of your Company at its meeting held on July 28, 2008, has recommended voluntary delisting of the shares of the Company from CSE subject to your approval. The shares will however be continued to be listed and traded on BSE and NSE and therefore delisting from the CSE will not have any major effect on the trading volumes of your Company's shares. Further, the said delisting will result in administrative convenience.

The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, provides option to a company to voluntarily delist its securities, without offering an exit opportunity to its shareholders, if the Company continues to be listed on Stock Exchanges having nationwide terminals. Your Company complies with this condition and is therefore eligible to voluntarily delist its securities from CSE.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, consent of the Members by means of a Special Resolution is required for voluntary delisting of the Company's shares.

Your Directors recommend the Special Resolution for the approval of the members.

None of the Directors of your Company are in any way concerned or interested in this resolution.

ITEM NO. 8

Existing Articles of Association of your Company do not contain any provisions for variation of the terms and conditions of different category and class of shareholders or provisions relating to buy back of shares. It is prudent that Articles of Association of your company contain the provisions empowering the Company to Buy Back its own Shares as and when deem necessary subject to the provisions of the Companies Act, 1956.

If at any time the Share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied subject to the provisions of the Companies Act, 1956 and other applicable laws from time to time. The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Presently as per Article 102 of the Articles of Association of your Company, only Directors or the constituted attorney of the Company are authorized to sign on the deed(s) or instrument(s) on which the seal of the Company is required to be affixed. To facilitate smooth and timely execution of documents by the Company, your Directors propose that the existing Article 102 of Articles of Association of your Company be substituted with new Article 102 with suitable authorizations for fixation of Common Seal by the Executive of the Company in addition to the Directors of the Company.

Your Directors recommend the Special Resolution for the approval of the members.

None of the director is interested or concerned in this resolution. Copies of the Memorandum and Articles of Association of the Company are available for inspection by members during business hours on any working day.

Place : Noida
Date : July 28, 2008

By order of the Board
Jagdish Patra
Company Secretary

Registered Office:
B-10, Essel House,
Lawrence Road, Industrial Area,
Delhi - 110 035

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Jawahar Lal Goel, Managing Director and Rajiv Dalmia, Chief Financial Officer do hereby certify to the Board that :-

- a. We have reviewed the Balance Sheet as at March 31, 2008, the Profit and Loss Account and the Cash Flow statement for the year ended on that date and that to the best of our knowledge and belief :
 - (i) the said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. During the year : -
 - (i) there have not been any significant changes in internal control over financial reporting;
 - (ii) there have not been any significant changes in accounting policies; and
 - (iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Jawahar Lal Goel
Managing Director

Rajeev K Dalmia
Chief Financial Officer

Mumbai, June 18, 2008

DECLARATION PURSUANT TO CLAUSE 49 I (D) (ii) OF THE LISTING AGREEMENT

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Board Members and Senior Management of the Company have affirmed their compliance with the Code of Conduct as applicable to them for the financial year ended March 31, 2008.

Jawahar Lal Goel
Managing Director

Rajeev K Dalmia
Chief Financial Officer

Mumbai, June 18, 2008

Directors' Report

To the Members,

Your Directors are delighted to present the Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2008.

RESULTS OF OPERATIONS

(Amount in thousands)

	FY 2007-08	FY 2006-07
Sales & Services	4,127,438	1,909,151
Other Income	29,731	33,975
Total Income	4,157,169	1,943,126
Total Expenses	8,283,323	4,459,433
Profit/(Loss) before Tax	(4,126,153)	(2,516,307)
Provision for Taxation (net)	5,893	2,508
Profit/(Loss) after Tax	(4,132,046)	(2,518,815)
Profit/(Loss) for the Year	(4,132,046)	(2,518,815)
Add: Balance brought forward	(2,518,815)	(3,268,593)
Less: Transfer to Restructuring Account	Nil	3,268,593
Amount available for appropriations	(6,650,861)	(2,518,815)
Appropriations:		
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
General Reserve	Nil	Nil
Balance carried forward	(6,650,861)	(2,518,815)

BUSINESS OVERVIEW

During the year, your team Dish TV was engaged in expansion of business activity at grass root level and consolidation of systems and processes to derive the synergies and optimize the use of available resources. Key focus area included strengthening the robustness of subscriber management system, creation of Dish Care Centre across the country, promoting exclusive Dish Shoppe, Expansion of Distributor and Dealer network in remote area and empowering zones to function as an independent office with devolution of power and authority for faster decision and better output.

Sales are driven by strengthening and deepening the distribution infrastructure, focused attention on sales related to Multi Dwelling Units (MDU), Key chain stores, Corporate Direct Sales, Corporate tie ups for bundling of product, special promo offers for regional festivals and of course cricket led sales. Roping of Mr. Shah Rukh Khan as brand ambassador also helped in leveraging the Brand Image, stature, imagery and contributed to overall feel good factor in the trade circle.

Special emphasis on Movie On Demand, Gaming, Interactive service also helped in enriching the offer and reaching out to a larger section of community.

During the year the Company had added one million subscribers thereby total subscriber base crossed over 3.0 million with a market

share of over 60%. Despite the emergence of new competition, Dish TV was able to maintain its leadership in the category. Your Company also launched VGA Box during the year, which has the capability to convert a computer into a TV set, the response of which was encouraging. During the year your Company also launched Dish TV in Airlines and on Mobile Vans ahead of any other competitor which clearly establishes our technological superiority.

India is the second largest TV market after China and Direct To Home (DTH) will continue to increase its market share in a rapid way. Moreover, digitalization of delivery platform, launch of New TV channels, Implementation of Conditional Access System (CAS), Distribution reach, Robust GDP growth, Launch of new technology e.g. DVR will continue to drive this sector.

Dish TV believes that competition will grow the market and it would benefit your Company in terms of market leadership and sustained growth in the near future.

SUBSIDIARY OPERATIONS

Your Company has three subsidiaries viz : Integrated Subscriber Management Services Limited (ISMSL), Agrani Satellite Services Limited (ASSL) and Agrani Convergence Limited (ACL).

Ministry of Corporate Affairs, Government of India has, vide its letter no. 47/152/2008-CL-III dated June 16, 2008 granted exemption to the Company from applicability of provisions of Section 212(1) of the Companies Act, 1956, relating to attachment of the accounts of subsidiary companies to its Annual Accounts for the financial year ended March 31, 2008. Accordingly, Annual Accounts of the subsidiaries for the current financial year are not being attached with the Annual Report of the Company. Financial highlights of the subsidiary companies are disclosed in the Annual Report and the Annual Accounts of the subsidiary companies are available for inspection by any member of the Company who may be interested.

As required by Accounting Standard-21 issued by the Institute of Chartered Accountants of India, the financial statements of the Company reflecting the Consolidation of the Accounts of its subsidiaries to the extent of equity holding of the Company in these Companies are included in this Annual Report.

SHARE CAPITAL

During the financial year 2007-08, there has been no change in the issued capital of the Company.

Your Board of Directors at its Meeting held on April 24, 2008 have approved the issue of additional shares through a Rights Issue for a value aggregating Rs.1140 crores. The Draft Letter of offer for the proposed Rights Issue has been filed with the Securities Exchange Board of India (SEBI) and the Stock Exchanges in May 2008 and your management is hopeful of getting all requisite approvals soon.

To facilitate the Rights Issue, the Members at the Extra Ordinary General Meeting held on May 29, 2008, have approved the increase of the authorized share capital from Rs.73 crores to Rs. 100 crores.

DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE

The Equity Shares of your Company are currently listed on the Bombay Stock Exchange Limited (BSE), the National Stock Exchange of India Limited (NSE) and the Calcutta Stock Exchange Association Limited (CSE). Since the trading volumes of Company's shares in CSE are insignificant and Company's securities are available for trading at BSE & NSE, who have extensive network of nationwide trading terminals, the continued listing of the Equity Shares of the Company on CSE neither serves the interest of the Members/Investors nor that of the Company.

Your Board has therefore proposed delisting of Company's Equity Shares from the Calcutta Stock Exchange Association Limited (CSE). Appropriate resolution seeking Member's approval, for delisting of Company's Equity Shares from CSE has been incorporated in the Notice of the Annual General Meeting.

PUBLIC DEPOSITS

During the year, your Company has not accepted any Deposits under Section 58A and Section 58AA of the Act, read with Companies (Acceptance of Deposits) Rules, 1975.

CORPORATE GOVERNANCE

A separate report on Corporate Governance together with Auditors' Certificate on compliance is attached to this Annual Report as also a Management Discussion and Analysis statement.

DIRECTORS

Your Board had appointed Mr. Eric Louis Zinterhofer as an Additional Director of the Company in the category of Independent Director with effect from October 22, 2007 and Mr. Mintoo Bhandari as an Alternate Director to Mr. Eric from July 28, 2008. Mr. Eric Zinterhofer vacates his office at the ensuing Annual General Meeting and has filed requisite consent to act as a Director of the Company. Notice has been received from a Member of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr. Eric as a Director of the Company. Appropriate resolution seeking your approval to the appointment of Mr. Eric Zinterhofer as the Director of the Company is appearing in the Notice convening the 20th Annual General Meeting of the Company.

Mr. Bhagwan Dass Narang and Mr. Ashok Kurien, Directors retire by rotation at the ensuing Annual General Meeting of your Company and, being eligible, have offered themselves for the re-appointment. Your Board has recommended their re-appointment.

AUDITORS

Statutory Auditors M/s MGB & Co., Chartered Accountants, Delhi, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information required to be provided under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of

Particulars in the Report of the Board of Directors) Rules, 1988 in relation to Conservation of Energy and Technology Absorption are currently not applicable to the Company and therefore particulars in connection therewith are as under:

- a) Conservation of Energy- Nil
- b) Technology Absorption- Nil

Particulars of foreign currency earnings and outgo during the year are given in Note 35.3 to the notes to the Accounts forming part of the Annual Report.

PARTICULARS OF EMPLOYEES

Information required to be furnished in terms of Section 217(2A) of the Companies Act, 1956 ('Act') read with the Companies (Particulars of Employees) Rules, 1975 is required to be set out in an annexure to this report. However, in terms of Section 219(1)(b) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Corporate Office. None of the employees, except Mr. Jawahar Lal Goel, listed in the said annexure are related to any Director of the Company.

HUMAN RESOURCE MANAGEMENT

Your Board believes that Employees are vital to the Company. Your Company has created a favourable work environment which encourages innovation and meritocracy. The Company has also set up a scalable recruitment and human resource management process which enables us to attract and retain high caliber employees.

EMPLOYEES STOCK OPTION (ESOP) SCHEME

Pursuant to the special resolution passed by the Members at the AGM held on August 3, 2007, your Company has implemented an Employees Stock Option Scheme (ESOP-2007) to reward our employees for their past association with the Company and performance and also to motivate them to contribute to the growth and profitability of the Company.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2008 are annexed herewith and forms part of this report.

In view of the recent volatility in the market and consequent fall in the price of the equity shares of the Company, the options granted which would vest in the employees in future have become unattractive. The Board of the Directors of your Company, therefore, had approved re-pricing of the stock options already granted under the ESOP-2007 to the eligible employees subject to your approval in the ensuing Annual General Meeting.

A Certificate from the Statutory Auditors of the Company M/s MGB & Co., Chartered Accountants, Delhi, with respect to the implementation of Company's ESOP Scheme, will be placed before the shareholders in the ensuing Annual General Meeting and