



ANNUAL REPORT 2010-11

EIGHTEENTH ANNUAL GENERAL MEETING

DATE : September 13, 2011

DAY : Tuesday

TIME : 10:30 A.M.

PLACE : Air Force Auditorium
Subroto Park
New Delhi - 110010

- NOTE :**
1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

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BOARD OF DIRECTORS

(As on 01.08.2011)

Shri P G Muralidharan**Chairman of the Board****Shri Atul Kumar Rai****CEO & Managing Director****Shri Umesh Kumar****Shri Sanjeev Kumar Jindal****Shri Shilabhadra Banerjee****Shri Prakash P Mallya****Shri Rakesh Bharti Mittal****Smt Usha Sangwan****Prof Shobhit Mahajan****Shri K Raghuraman****Shri S Shabbeer Pasha****Prof Omprakash Mishra****Shri Sujit K Mandal****Whole Time Director****PRINCIPAL OFFICERS****EXECUTIVE DIRECTORS**

Shri T K Ray

Smt Shashi Sharma

CHIEF GENERAL MANAGERS

Shri Sonjoy Sethee (CFO)

Shri N K Duggal

Shri B N Nayak

GENERAL MANAGERS/VICE PRESIDENTS

Shri Dinesh Sharma

Shri Gautam Meour

Shri V Satyavenkata Rao

Shri S P Sharma

Smt Manju Jain

Shri S K Vats

Shri Biswajit Banerjee

Shri Prasoon

Shri Sachikanta Mishra

Shri Suneet Shukla

Smt Rashmi Sachdev

Smt Pooja S Mahajan

COMPANY SECRETARY

Smt Rupa Sarkar

STATUTORY AUDITORSChokshi & Chokshi
Chartered Accountants

FINANCIAL HIGHLIGHTS

	(₹ crore)	
	As at March 31, 2011	As at March 31, 2010
RESOURCES		
Share Capital	1,001.68	1,001.68
Reserves and Surplus	4,001.72	3,608.12
Borrowings in Rupees	18,737.72	13,028.27
Borrowings in Foreign Currency	526.85	534.19
	24,267.97	18,172.26
APPLICATION		
Fixed Assets	1,212.61	1,450.10
Investments	8,005.56	5,882.43
Deferred Tax Assets	1,020.91	1,387.44
Net Current Assets	14,028.89	9,452.29
	24,267.97	18,172.26
	2010-2011	2009-2010
EARNINGS		
Total Income (₹ crore)	2,486.37	1,679.33
Profit before tax (₹ crore)	1,166.25	1,115.26
Profit after tax (₹ crore)	706.25	670.94
RATIOS		
Capital Adequacy (excl. Deferred Tax Assets)	16.4%	17.9%

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of IFCI Limited will be held on Tuesday, September 13, 2011 at 10:30 a.m. at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended March 31, 2011 and the report of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend already paid on Preference Shares as Final Dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri K Raghuraman, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S Shabbeer Pasha, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Smt Usha Sangwan, who retires by rotation and being eligible, offers herself for re-appointment.
7. To appoint Auditors and fix their remuneration and for the purpose 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 224A, and other applicable provisions, if any, of the Companies Act, 1956, M/s Chokshi & Chokshi, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board/Audit Committee of Directors of the Company, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company."

Special Business

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

"RESOLVED that pursuant to Section 262 of the Companies Act, 1956, Article 130 of the Articles of Association of the Company, Shri Shilabhadra Banerjee, who was appointed as Casual Director with effect from April 30, 2010 and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED that pursuant to Section 260 of the Companies Act, 1956, Article 130 of the Articles of Association of the Company, Shri Rakesh Bharti Mittal, who was appointed as an Additional Director with effect from October 27, 2010 and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED that Shri Sujit K Mandal, who was appointed as an Additional and Whole Time Director by the Board of Directors of the Company with effect from November 1, 2010 and who, as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act 1956, received a notice from a member, in writing, proposing the candidature of Shri Sujit K Mandal, for the office of Director, be and is hereby appointed as a Director of the Company not liable to retire by rotation."

"RESOLVED further that subject to the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and Article 162 of Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the members, be and is hereby accorded for the appointment of Shri Sujit K Mandal as Whole Time Director with effect from November 1, 2010 for a period of three years and to the payment of remuneration as setout hereunder:

- I. **Pay:** Basic Salary of ₹ 1,66,667/- per month.
- II. **Provident Fund:** Monthly subscription to the Fund at the minimum rate of 10% of the Pay. IFCI shall contribute every month a sum equal to 10% of Pay to the account in the Fund. He shall not be covered under IFCI Pension Regulations.
- III. **Housing:** Rent free accommodation, as per rules of IFCI or House Rent Allowance @50% of the basic pay.
- IV. **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work.

- V. **Medical Benefits:** Actual expenses incurred for self and his family.
- VI. **Personal Accident Insurance:** Premium (not to exceed ₹ 4000/- per annum).
- VII. **Club Fee:** Fee of Clubs, subject to a maximum of two Clubs (excluding admission and life membership fee).
- VIII. **Gratuity:** 15 days salary for each completed year of service. Part service in excess of six months shall be reckoned as a completed year of service.
- IX. **Payment of tax on Perquisites/Special (Perquisite) Allowance:** IFCI to bear tax in full on non-monetary perquisites and to pay special allowance on monetary perquisites which are taxable.
- X. **LTA:** Entitled to travel with family, by any mode, i.e., Air, Train, Road once every year for visiting any place in India.
- XI. **Other Perquisites:** Other retrieval benefits and like amounts/benefits would be paid as per rules of IFCI."

"RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

- 11. 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 314 and other applicable provisions of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force and as may be enacted from time to time and subject to such other rules, regulations, and guidelines as may be applicable and subject to such approvals, permissions and sanctions, if required and as may be necessary, consent of the Company, be and is hereby accorded for appointment of Shri Siddharth Mandal as Manager at a remuneration of ₹ 49,552/- per month with effect from November 1, 2010 and further increase as per general policy of the Company and subject to limits prescribed under Section 314 of the Companies Act, 1956 as applicable."

"RESOLVED further that the consent of the Company be and is hereby accorded for further increase in remuneration and the elevation of Shri Siddharth Mandal as per the general policy of the Company as applicable to the other employees and subject to limits prescribed under Section 314 of the Companies Act, 1956 as applicable."

- 12. 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 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") and subject to such other rules, regulations, guidelines, approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the 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 be deemed to include any Committee, including the Committee of Directors for Employees Stock Option (ESOP Committee) which the Board has constituted to exercise its powers, including the powers, conferred by this resolution] to create, offer and grant stock options at any time to the permanent employees, existing and future, including any Director of the Company, whether Whole-Time or otherwise, as may be decided solely by the Board under the scheme titled 'IFCI Employee Stock Option Scheme-2011' (hereinafter referred to as the "ESOP-2011") exercisable into so much of equity shares of Face Value ₹ 10 each not exceeding 3% of the Paid-up Equity Share Capital of the Company in aggregate, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the regulations or other provisions of the law as may be prevailing at the relevant time."

"RESOLVED further that the Board, be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of options from time to time in accordance with ESOP-2011 or allot shares to a Trust set-up to administer ESOP-2011 and that it may also envisage for providing any financial assistance to the Trust to enable the trust to acquire, purchase or subscribe Equity Shares of the Company for the purpose of ESOP-2011."

"RESOLVED further that the number of options that may be granted to any Non-Executive Director (including any Independent Director) in any financial year under the ESOP-2011 and in aggregate shall not exceed 1% of the paid up capital of the Company."

"RESOLVED further that the Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company."

“RESOLVED further that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 3% of the Paid-up Equity Share Capital shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED further that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.”

“RESOLVED further that the Board be and is hereby authorized to take necessary steps for listing of the shares allotted under the ESOP-2011 on the Stock Exchanges, where the shares of the Company are listed and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf.”

“RESOLVED further that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

Registered Office: By order of the Board of Directors

IFCI Ltd
IFCI Tower
61 Nehru Place
New Delhi-110019

Rupa Sarkar
Company Secretary

Dated: July 28, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the business under Item Nos.8, 9, 10, 11 and 12 is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays, between 11:00 a.m. to 1:00 p.m. up to the date of Annual General Meeting.
4. Register of Members and Share Transfer Books for equity shares will remain closed from Saturday, September 3, 2011 to Tuesday, September 13, 2011 (both days inclusive).
5. IFCI is not including the financial statements and other details of its subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd and MPCON Ltd, including their subsidiaries, if any, in its financial statements in terms of exemption granted by the Ministry of Corporate Affairs under General Circular 2/2011 dated February 8, 2011. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of IFCI or its subsidiary companies seeking such information at any point of time on specific request in writing to the Company. The Annual Accounts of the subsidiary companies are open for inspection at the Registered Office of IFCI and at the Registered Offices of the respective subsidiary companies up to the date of Annual General Meeting on any working day.
6. The members holding shares/family bonds in physical form are requested to intimate to the Registrar and Transfer Agent (R&TA), MCS Ltd, F-65, Okhla Industrial Area, Phase-I, New Delhi-110020, change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares/family bonds held in demat form is required to be intimated to the concerned Depository Participant.
7. Members holding shares in more than one folio in identical order of names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
8. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably at least seven days prior to the date of meeting, so as to enable the management to keep the information ready.
9. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.
10. Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared up to the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their

dividend from the Registrar of Companies, Delhi & Haryana.

11. Consequent upon amendment to Section 205A and introduction of Section 205C, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund.
12. The dividend for the Financial Year 2008-09, 2009-10 remained unclaimed/unpaid after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend (2008-09 and 2009-10 respectively) Account of IFCI Ltd. The Dividend remaining unclaimed for seven years from the date of transfer to the above mentioned account, is required to be transferred by the Company to the Investor Education & Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for the year 2008-09 is 22.10.2016 and for the year 2009-10 is 21.10.2017.
13. Members who have not yet encashed their dividend warrants or have not received the dividend warrants are requested to seek issuance of demand draft. Such members may write to IFCI Ltd for the payment of unpaid dividend amount. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.

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

Item No. 8

Shri Shilabhadra Banerjee, was appointed as a Director in Casual Vacancy that occurred due to the resignation of Shri K Narasimha Murthy. In terms of Section 262 of the Companies Act, 1956, Shri Banerjee is to hold office upto the date of ensuing Annual General Meeting of the Company, but is eligible for re-appointment. The Company has received a valid notice and requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Banerjee for office of Director. Brief resume of Shri Banerjee is set out in the "Information about Directors seeking appointment/re-appointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Shri Banerjee is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are, in any way, concerned or interested in the said resolution.

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

Item No. 9

Shri Rakesh Bharti Mittal, was appointed as an Additional Director by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956, Shri Mittal shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received a valid notice and requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of

Shri Mittal for office of Director. Brief resume of Shri Mittal is set out in the "Information about Directors seeking appointment/re-appointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Shri Mittal is interested in the resolution as it relates to his appointment. None of the other Directors of the company are, in any way, concerned or interested in the said resolution.

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

Item No. 10

Shri Sujit K Mandal, was appointed as an Additional and Whole Time Director by the Board of Directors of the Company in accordance with Section 260 of the Companies Act, 1956 w.e.f. November 1, 2010. Shri Sujit K Mandal, as an Additional Director, shall hold office upto the date of this Annual General Meeting. The Company has received a notice in writing, along with requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Shri Mandal for the office of Director.

The Board of Directors of the Company also appointed Shri Mandal as Whole Time Director of the Company with effect from November 1, 2010 for a period of three years, upto October 31, 2013 subject to the approval of the members at their General Meeting. The approval of members is being sought for appointment of Shri Sujit K Mandal as Whole Time Director, not liable to retire by rotation, and payment of remuneration to him as set out in Resolution No.10. Brief resume of Shri Mandal is set out in the "Information about Directors seeking appointment/re-appointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Shri Sujit K Mandal, is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

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

Item No. 11

Shri Siddharth Mandal, is a mechanical engineer, with distinction, holding certificate in ANSYS Cfx (Computational Fluid Dynamics) and ANSYS 10.0 (FEA) and Auto- CAD. He has undergone industrial training at Hindustan Aeronautics Ltd at Engine Division, Bangalore and project work at Volvo Buses India, Bangalore. He has also participated in Formula SAE competition at Germany and Italy for consecutive four years and is a Steering Committee member of the project. Prior to joining IFCI, he was working with Deloitte Touche Tomatsu as a Consultant in the area of Financial Services and Risk Management. He is son of Shri Sujit K Mandal, Whole Time Director of the Company. In terms of Section 314(1)(b) of the Companies Act, 1956, if a relative of Director is appointed in a place of profit in terms of the Companies Act, 1956, the approval of the members of the Company as special resolution is required.

Shri Sujit K Mandal, is interested in the resolution. None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

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

Item No. 12

Your Company believes in rewarding its employees and Directors for their continuous hard work, dedication and support, which has led the Company on the growth path. Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in ownership of the Company through stock option scheme. The objective of the ESOP-2011 is to provide an incentive to attract and retain the best talents by way of rewarding their past performance and motivate them to contribute to the corporate growth and profitability in future.

The main features of the employee stock option schemes are as under:

1. Total number of options to be granted:

Options exercisable into equity shares up to 3% of the Paid-up Equity Share Capital of the Company would be available for being granted to eligible employees and Directors of the Company under ESOP-2011. Each option when exercised would be converted into one Equity share of ₹ 10 each fully paid-up.

Vested options lapsed due to non-exercise and/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. The Board is authorized to re-grant such lapsed/ cancelled options as per the provisions of IFCI - ESOP 2011.

SEBI Guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, stock split/consolidation and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the above ceiling shares as stated above from time to time shall be deemed to be increased to the extent of such additional equity shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

Following classes of employees are entitled to participate in the ESOP-2011:

- (a) Permanent employees of the Company working in India or out of India;
- (b) Directors of the Company whether a Whole-Time Director or not.

3. Transferability of employee stock options:

The stock 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. However, in the event of the death of an employee (stock option holder) while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

4. 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 ESOP Committee may, at 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 would vest subject to the minimum and maximum vesting period as specified below.

Options granted under ESOP-2011 would vest not less than one year and not more than 4 years from the date of grant of such options. The vesting will start at the first anniversary of grant.

5. Exercise Price or pricing formula:

Exercise Price in respect of the stock options granted shall be up to 25% discount from the Market Price of the equity shares of the Company.

6. Exercise period and the process of Exercise:

The Vested options shall be eligible to be exercised on and from the Vesting Date itself. The vested stock options need to be exercised, within 4 years from the date of vesting of the options.

The options will be exercisable by the Employees by a written application to the Company/ESOP Committee or any Trust formed in this behalf expressing his/her desire to exercise the options in such manner and on such format as may be prescribed by the ESOP Committee from time to time. The options will lapse if not exercised within the specified exercise period.

In case of cashless system of exercise of vested options, the ESOP Committee shall be entitled to specify such procedures and/or mechanisms for the Shares issued on Exercise of the Options as may be necessary and the same shall be binding on the Option Grantees.

7. Appraisal process for determining the eligibility of employees to ESOP-2011:

The options shall be granted to the employees as per performance appraisal system of the Company.

8. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Scheme shall not exceed the number of shares equivalent to 1% of the Paid-up Share Capital of the Company per grant and in aggregate.