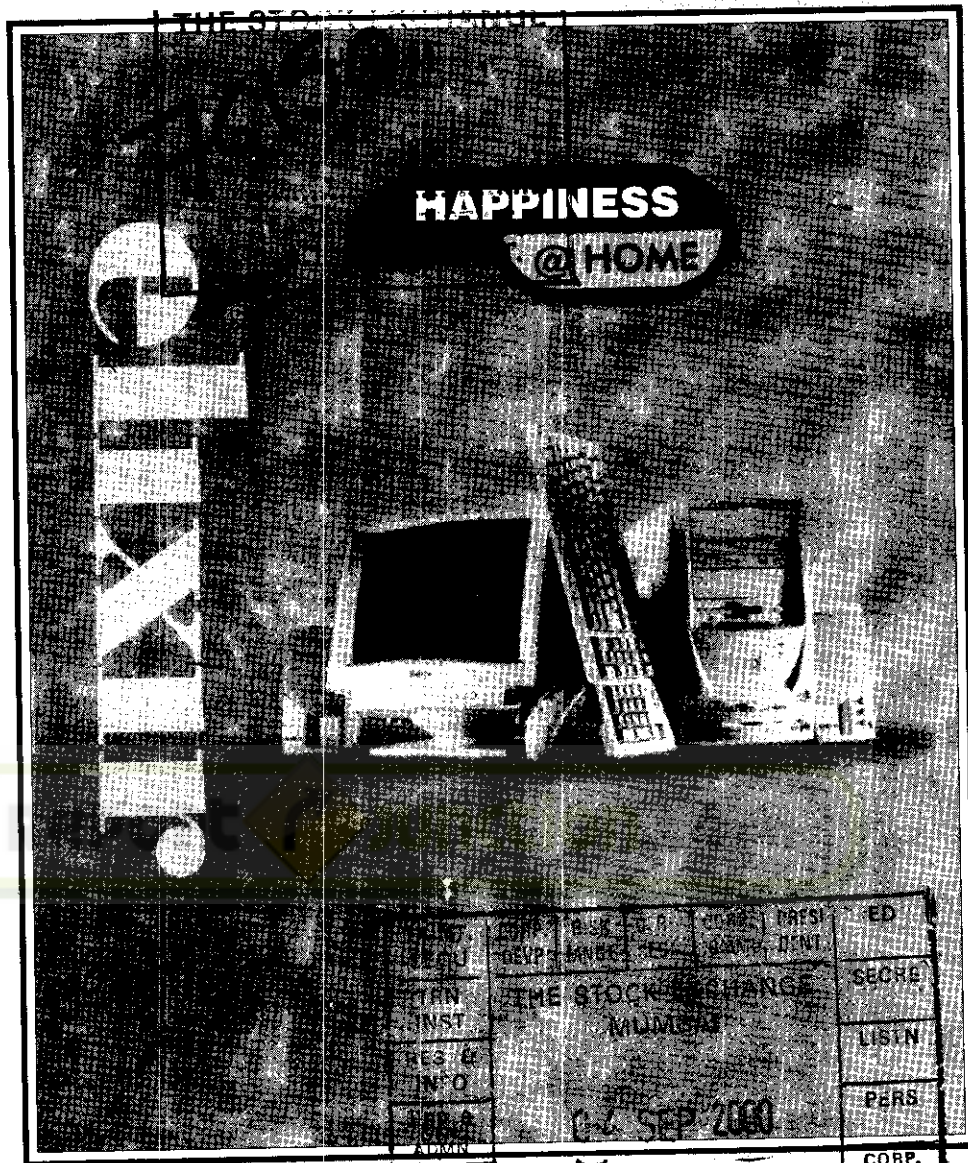


9TH ANNUAL REPORT 1999-2000



VINTRON INFORMATICS LIMITED



OUR WORKERS OUR STRENGTH



A VIEW OF SMT LINE

Vintron

VINTRON INFORMATICS LIMITED

(Formerly Vintron Industries Limited)

Chairman & Managing Director

Shri R. K. Gupta

Directors

Shri P. K. Mittal
Shri Suresh Chauhan
Shri Rajoo Doshi
Shri Manish Agrawal
Shri Narsingh Awatar
Shri R. S. Duggal

Company Secretary

Shri Manoj Bengia

Statutory Auditors

M/s. O.P. Bagla & Co.

Internal Auditors

M/s. S. Agarwal & Co.

Solicitor

Shri Om Prakash S. Shekhawat

Management Team

Shri Arvind Sharma
(V.P. P.C.)
Shri Sunil Kumar
(V.P. Peripherals)
Shri Rajan Garg
(V.P. Finance & Corporate Affairs)
Shri P. S. Rai Chaudhary
(G.M. Production)
Shri Vibhor Agrawal
(G.M. All India Sales)
Shri Sunil Khurana
(G.M. Communication Division)

Transfer Agent

Skyline Financial Services Pvt. Ltd.
123, Vinobha Puri, Lajpat Nagar-IV,
New Delhi-110024

Bankers

Oriental Bank of Commerce
Corporation Bank

Registered Office & Works

F-90/1A, Okhla Indl. Area,
Phase-I, New Delhi -110020

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NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the Members of Vintron Informatics Limited (Formerly known as Vintron Industries Limited) shall be held on Thursday, the 21st day of September 2000 at 10.00 A.M. at Shree Gujarati Samaj Samiti [Regd.] Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2, Raj Niwas Marg Delhi - 110 054 to transact the following business:

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31st March 2000, the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
- 2) To Declare Dividend on the Equity Shares, for the accounting year ended 31st March 2000.
- 3) To appoint a Director in place of Shri Pramod Kumar Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Rajco Doshi who retires by rotation and being eligible offers himself for re-appointment.
- 5) To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and authorize the Board of Directors to fix their remuneration.

M/s D. P. Bagla & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment and have confirmed that their appointment, if made, will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS:

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

Approval of issuance of Shares/Securities to existing shareholders on rights basis and/or to Public and/or on Preferential basis to FIs/FILs/Indian & Foreign Mutual Funds/OCBs/Venture Capital Funds/Promoters/Any other person(s).

RESOLVED that in terms of Section 81(1), 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Articles of Association of the Company and subject to the consent of the Securities and Exchange Board of India (SEBI) and all other concerned authorities and Departments, if any and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed by such authorities in granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer and issue to such persons as are set out hereunder, such number of equity shares and/or preference shares of the Company of the face value of Rs.10/- and Rs.100/- each respectively as may be required for subscription for cash and/or for consideration other than cash at such premium per share as may be fixed and determined by the Board prior to the issue, through a letter of offer and/or through a prospectus and/or by way of preferential allotment and offer thereof to such category of persons in consultation with SEBI or such other Authorities as may be prescribed or in accordance with such guidelines or other provisions of law as may be prevailing at that time and otherwise and at such time or times as the Board at its absolute discretion and in the best interest of the Company may deem fit to create, offer, issue and allot:-

A: Equity Shares on Rights Basis

Such Number of Equity Shares, for cash at price not exceeding Rs. 50/- per share, (including premium) as may be decided by the Board in the ratio of one share for every two shares held by the existing shareholder of the Company with a option to renounce and with a power to the Board to deal with un-subscribed portion in such manner as the Board may deem fit in the best interest of the Company, to the members of the Company whose name appear in the Register of Members on such Record Date as may be fixed in this regard by the Board.

B: Equity Shares on Preferential Basis

20,00,000 equity Shares for cash at a price (including premium) as may be decided and may be fixed by the Board on such shares but not less than the higher of the following :

Vintron

NOTICE (Contd.)

The average of weekly high and low of the closing prices of the company's shares quoted on a stock exchange during the six months preceding the relevant date;

Or

The average of weekly high and low of the closing prices of the company's shares quoted on a stock exchange during the two weeks preceding the relevant date.

C: Redeemable Cumulative Preference Shares

4,00,000 Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred) each per Share for cash at par, carrying the Preference dividend at the rate of such percentage of dividend P.A. and containing such terms and conditions as may be set out by the Board at the time of issue.

Where (B) and (C) may be allotted to all or anyone or any combination of the hereunder:

- a) Promoters, Directors, their Friends, Relatives and Associates.
- b) Indian and/or Multinational Development Financial Institutions, Indian Mutual Funds, Foreign Mutual Funds, Foreign Institutional Investors, whether registered with SEBI or not, [including Non-Resident Indians and Overseas Corporate Bodies]
- c) The Shareholders of the Group Companies.
- d) Any other categories of persons, institutions, authorities or sections or otherwise, whether or not such investors are members of the Company.

Through a letter of Offer and/or by way of preferential allotment basis. The equity shares on preferential basis may be allotted in one or more tranches."

D: Public Offer

Public Issue of 50,00,000 equity shares of Rs. 10/- each for cash and/or for consideration other than cash to Public with permissible reservation for existing shareholders and employees, FIs/FII's/Indian & Foreign Mutual Funds, OCBs/Venture Capital Funds/Promoters, at a price not exceeding Rs. 80/- per share (including premium) as may be decided by the Board, in consultation with the Lead Managers, and on such terms and conditions as may be set out by the Board at the time of issue.

"RESOLVED FURTHER that the new Equity shares issued and allotted as referred above or as may be necessary in accordance with the terms of offering, shall, subject to the Memorandum and Articles of Association of the company, rank pari-passu in all respects with the subsisting issued and subscribed Equity Shares of the Company."

"RESOLVED FURTHER that for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorized in its absolute discretion as the Board may deem fit:

- a) To make on its own accord or to accept such amendments, modifications, variations and alterations as Securities & Exchange Board of India and/or Stock Exchange and/or Institutions and/or Bodies and/or any other concerned authority may stipulate in that behalf;
- b) To amend, recalculate, modify, vary or alter all or any of the terms of the issue including its size and timing;
- c) To retain over subscription maximum to the extent as may be necessary to enable the allotment of shares to each allottee rounded off to the nearest multiple of marketable lot of the Share;
- d) To enter into and execute any arrangement(s) or documents with any Lead Manager(s), Manager(s), Advisors(s), Underwriter(s), Registrar(s) and with any other(s) in regard to such offering of Shares and to remunerate them on such terms as may be decided, and including by way of payment of commission, brokerage, fees or the like;
- e) To finalize and prescribe the Letter of Offer and/or Prospectus, Application form(s) etc., the price of shares and to make or carry out any alterations or modifications to the above and to accept and give effect to such alterations, or modifications, as regards the terms and conditions of the issue as suggested or recommended by any of the Concerned Authorities or the Lead Manager(s) or other agency(ies) without requiring any further approval of the members;
- f) To arrange for Bridge Loan, on such terms as the Board may deem consider beneficial for the Company and to settle any question or remove any difficulty or doubt that may arise with regard to the terms and conditions of the issue including utilization of the proceeds of the issue.

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NOTICE [Contd.]

- g) To do all such acts, deeds, matters and things as they may in their absolute discretion, consider necessary, expedient or desirable in this connection.
 - h) To seek the listing of existing securities and proposed issue of securities on the NSE and to seek permission from the Stock Exchange[s] where securities are already listed.
- 7) To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Narsingh Awatar, who was appointed as an additional director of the Company and whose term expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom Company has received notice from a member under Section 257 of the said Act proposing his candidature for the Office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri Ravinder Singh Dugal, who was appointed as an additional director of the Company and whose term expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom Company has received notice from a member under Section 257 of the said Act proposing his candidature for the Office of the Director, 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, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 81 of the Companies Act, 1956 and subject to the relevant provisions of the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 or as changed from time to time ("the Guidelines") for the time being in force and subject also to such consents, permissions and sanctions, if any, as may be required from appropriate authorities or bodies, the Board of Directors of the Company ("the Board" which term shall deem to include a Committee constituted by the Board to exercise its powers conferred by this Resolution) be and is hereby authorized to grant, offer and issue to such of the present and future employees and Directors of the Company (collectively "the employees") Option exercisable by the employees to subscribe for the Company's equity shares/equity linked securities, equity shares represented by American Depository Receipts and/or Global Depository Receipts and/or warrants and/or any other instruments or securities (collectively "Securities") at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions and thereafter to allot such appropriate Securities, as are detailed in the Explanatory Statement relevant to this resolution and annexed to the Notice and for identification signed by the Chairman of this meeting or as may be decided by the Board prior to the grant, offer, issue and allotment thereof in accordance with the Guidelines or other provisions of law prevailing at the relevant time, which upon exercise or conversion could give rise to the issue of a number of Securities not exceeding in aggregate (including any Options issued and convertible into Equity Shares) equivalent to the nominal value of 5% of the issued Equity Shares of the Company as on 31st March 2000, under an Employees Stock Option Scheme ("the Scheme") and;

"RESOLVED FURTHER THAT without prejudice to the generality of the above the Board be and is hereby authorized to formulate all the terms of the Scheme (including terms relating to eligibility of the employees) for grant, offer and issue of the Options at such time or times as it may decide in its absolute discretion and it be further authorized to determine, in its absolute discretion, as to when the Securities are to be issued, the number of Securities to be issued in each tranche, the terms or combination of terms subject to which the Securities are to be issued (including the combination of terms for Securities issued at various points of time) and the allotment thereof and all such other terms as are usually applicable to the offerings of similar nature and;

"RESOLVED FURTHER THAT subject to the terms stated herein, any equity shares allotted pursuant to this resolution shall in all respects rank pari passu inter-se and shall also in respects rank pari passu with the existing equity shares of the Company.

NOTICE [Contd.]

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to evolve, decide upon and bring into effect the Scheme from time to time as may be specified by any appropriate authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in relation thereto without requiring the Board to secure any further consent or approval of the Company at a General Meeting and;

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Scheme (including amendment or modification of any of the terms thereof) and to Securities issued under this authority without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

"RESOLVED THAT pursuant to Section 81 of the Companies Act, 1956 and subject to the relevant provisions of the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India [Employees Stock Option Scheme and Employees Stock Purchase Scheme] Guidelines, 1999 ["the Guidelines"] for the time being in force and subject also to such consents, permissions and sanctions, if any, as may be required from appropriate authorities or bodies, the Board of Directors of the Company ("the Board" which term shall deem to include a Committee constituted by the Board to exercise its powers conferred by this resolution) be and is hereby authorized to extend the benefits of the Employees Stock Option Scheme referred to in the Special Resolution passed earlier at this meeting also to the eligible employees of any subsidiary Company of the Company being the employees who on request of the Company have joined the employment of any such subsidiary company and/or to such other employees of the subsidiary as may be from time to time be allowed under the prevailing laws, rules and regulations, on such terms and conditions as may be decided by the Board and;

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to evolve, decide upon and bring into effect the said Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in relation thereto without requiring the Board to secure any further consent or approval of the Company at a General Meeting."

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

"RESOLVED THAT pursuant to section 31 read with section 79A of the Companies Act, 1956, the Articles of Association of the Company be altered by addition of following new article 5(d) after the existing article 5(c):

5(d) The Company may exercise the powers of issuing sweat equity shares of a class of shares already issued conferred by section 79A of the Act subject to the following conditions:

- (a) the issue of sweat equity shares is authorised by a special resolution passed by the Company in the general meeting;
- (b) The resolution specifies the number of shares, their value and the class or classes of Directors or employees to whom such equity shares are to be issued;
- (c) Not less than one year has at the date of the issue elapsed since the date on which the Company was entitled to commence business;
- (d) The sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board of India in this behalf.

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

"RESOLVED THAT pursuant to article 5(d) of the Articles of Association of the Company and to section 79A of the Companies Act, 1956, the Board of the Company be and is hereby authorised to issue/allot such number of equity shares at such price, to such employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called."

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NOTICE [Contd.]

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take each and every action in order to implement the aforesaid resolution and/or anything that is related to it or ancillary or incidental to it, and to make on its own accord or to accept such amendments, modifications, variation and alteration as Securities and Exchange Board of India and/or Stock Exchange and/or Institutions and/or Bodies and/or any other concerned authority may stipulate in that behalf."

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed herewith.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 5th day of September 2000 to Thursday, the 21st day of September 2000 (both days inclusive).
- d) Dividend on shares as recommended by the Board of Directors, declared, at the meeting shall be paid to those shareholders whose name appear in the Register of Members as on 21st day of September 2000.
- e) Documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company during office hours on all working days between 1400 hrs. and 1600 hrs. upto the date of Annual General Meeting.
- f) Members desirous of obtaining any information concerning the accounts and operations of the Company, are requested to send their queries to the Company Secretary at least ten days before the Meeting, so that the information required by the Members may be made available at the meeting.
- g) With a view to provide protection against fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account number, Name & Address of the Bank Branch to enable the Company to incorporate the said details in the Dividend Warrants.
- h) The members are requested to notify immediately any change in their address to the Company quoting their folio number.
- i) Members are requested to bring their copies of Annual Report to the Meeting, so as the extra copies of the Annual Reports shall not be available at the venue of the Annual General Meeting.
- j) Members may please note that M/s Skyline Financial Services Private Limited has been acting as Company's Complete Share Registry (both Physical and Electronic). The members are requested to send transfers and other related correspondence to the Registrar's Office at the following address:

M/s. Skyline Financial Services Private Limited Unit: Vintron Informatics Limited 123, Vinoba Puri, Lajpat Nagar Part-II, New Delhi - 110 024

**By order of the Board
FOR VINTRON INFORMATICS LIMITED**

Place : New Delhi
Dated : 31st July, 2000

MANOJ BANGIA
COMPANY SECRETARY

EXPLANATORY STATEMENT:

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part thereof.

Item No.6

RIGHT ISSUE/PREFERENTIAL ALLOTMENT/PREFERENCE SHARES/PUBLIC OFFER

Your Company has carved out major strategic plans for consolidating its manufacturing strengths in PC and peripheral segment and creation of Software development facilities.

The Company has installed a fully automatic and computerized plant [Surface Mounting Technology] for the manufacturing of motherboards with the annual capacity of 160000 pieces. The expansion will enable the company to widen its product portfolio and retain and consolidate its prime position in the market. The company is further planning to enhance the capacity of the existing plant. The Company has also assessed the growth potential of software development market and is making diversification into the field.

NOTICE (Contd.)

It is proposed to raise the funds through the issue of shares to the existing shareholders on right basis in the ratio of one share for every two shares held and/or preferential allotment of shares and/or by issue of preference Shares and or by way of Public Offer or any one or more or any combination of the above.

The funds raised on the proceeds of the issue will be used mainly for the additional working capital requirements, capital expenditure and for Software Set up and for the purposes of acquisition of any business within the prescribed limits.

The details of the terms and conditions of the offer and the issue price will be determined by the Board of Directors in the best interest of the Company in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company, considering the prevailing market conditions and other relevant factors and the guidelines issued by the SEBI and subject to necessary approvals as may be required.

A Certificate from the Auditors of the Company certifying that the proposed preferential issue of equity shares conforms to the subsisting guidelines issued by the SEBI will be laid before the meeting for consideration of the members.

The equity shares on preferential basis may be allotted in one or more tranches. The Object of proposed preferential offer is raising of funds for the additional working capital requirements, capital expenditure and for Software Set up and for the purposes of acquisition of any business within the prescribed limits. The Promoters/directors/key management persons intend to subscribe to the proposed preferential offer. The allotment of equity shares pertaining to preferential offer will get completed within the prescribed permissible time period as prescribed in the SEBI guidelines.

SHAREHOLDING PATTERN

	Before the Issue [%]		After the Issue [%]	
	Electronic form	Physical form	Electronic form	Physical form
RESIDENT INDIAN	13.62	37.02	10.16	27.62
DOMESTIC COMPANY	1.74	2.69	1.30	2.01
DIRECTOR/RELATIVE & FRIEND	5.98	36.11	8.27	26.94
MUTUAL FUND/FI/FII/INST/OTHERS	-	2.55	21.59	1.90
EMPLOYEES	-	0.29	-	0.21
TOTAL	21.34	78.66	41.32	58.68

The proposed allottee in case of preferential offer may be the combination of any one of the following viz.

- Promoters, Directors, their Friends, Relatives and Associates subject to a maximum of 3,00,000 equity shares;
- Indian and/or Multinational Development Financial Institutions, Indian Mutual Funds, Foreign Mutual Funds, Foreign Institutional Investors, whether registered with SEBI or not, (including Non-Resident Indians and Overseas Corporate Bodies). Any other categories of persons, institutions, authorities or sections or otherwise, whether or not such investors are members of the Company subject to a maximum of 17,00,000 equity shares.

The percentage of the post preferential issue capital that may be held by the category (a) & (b) as mentioned immediately above may be around 35.21% (approx.) 23.49% (approx.) respectively, provided there is no rights public issue otherwise it will change accordingly.

In order to give adequate flexibility and discretion to the Board to finalize the issue structure and the terms of the issue in the best interest of the Company, the consent of the shareholders under section 81, 81(1A) of the Companies Act, 1956 is sought. The present resolution is an enabling resolution to cover all contingencies and requirements.

None of the Directors of the company is conceded or interested in the aforesaid resolution except so far it relates to offer, if any made to them or their relatives by way of Rights and/or preferential basis.

The Directors recommend the special resolution for your adoption.

Item No. 7

Shri Narsingh Awatar, was appointed as an Additional Director on 21st October, 1999 by the Board of Directors in their meeting. Under the provisions contained in Section 260 of the Companies Act, 1956, he will hold office up to the date of the Annual General Meeting.

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NOTICE (Contd.)

As required under Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose the candidature of Shri Narsingh Awatar for the office of Director liable to retire by rotation. The Board considers it desirable that the Company should continue to avail the Services of Shri Narsingh Awatar. Shri Narsingh Awatar is a Chartered Accountant by profession, and having experience of over 35 years; it will be beneficial for your Company to avail the benefits of experience and expertise of Shri Narsingh Awatar. Hence, the resolution is proposed.

None of the Directors except Shri Narsingh Awatar, the appointee, is interested or concerned in the resolution.

Item No.8

Shri Ravinder Singh Dugal, was appointed as an Additional Director on 2nd December, 1999 by the Board of Directors in their meeting. Under the provisions contained in Section 260 of the Companies Act, 1956, he will hold office up to the date of the Annual General Meeting.

As required under Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose the candidature of Shri Ravinder Singh Dugal for the office of Director liable to retire by rotation. The Board considers it desirable that the Company should continue to avail the Services of Shri Ravinder Singh Dugal. Shri Ravinder Singh Dugal is a Bachelor of Electronics and having experience of over 18 years, in the field of software development & Application, it will be beneficial for your Company to avail the benefits of his experience and expertise. Hence, the resolution is proposed.

None of the Directors except Shri Ravinder Singh Duggal, the appointee, is interested or concerned in the resolution.

Item No. 9 & 10

Employee Stock Option is a new concept in India's Corporate History. Internationally it has long been recognized as an effective instrument to align the interest of employees with those of the Company they serve or are associated with and its shareholders. It provides an opportunity to the employees to share in the growth of the Company and to create at the same time long term wealth in the hands of the employees. Such Stock Option also provides for tax-efficient, performance-linked rewards to employees and serves as an effective means to attract, retain and motivate the talented human resources for the Company. The Securities and Exchange Board of India (SEBI) introduced a comprehensive set of regulations known as SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ["the Guidelines"]. The Board of Directors of the Company considered the matter in its meeting held on 31st July 2000 and thought it prudent to take recourse to the aforesaid Guidelines and recommended introduction of a Stock Option Scheme ["the Scheme"] pursuant to which employees/Directors of the Company as also the employees of subsidiary of the Company who comply with certain eligibility criteria would be granted options to subscribe to a specified number of Equity Shares and/or certain other securities of the Company in conformity with the provisions of the Guidelines. The Scheme is intended to include grant and issue of warrant (whether attached to any security or not) with an option exercisable by the holders thereof to subscribe for Equity Shares/Equity Linked Securities, ADRs, GDRs and/or any other instruments or securities as may be allowed from time to time under the Guidelines.

Before any option is granted or issued under the Scheme, the Board will constitute a Committee of Directors to be known as "Compensation Committee" consisting of a majority of independent Directors for the implementation, administration and superintendence of the Scheme.

The Compensation Committee will formulate more detailed terms and conditions of the Scheme, which will include the following:

- Quantum of option to be granted per employee, and in aggregate.
- Conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
- Time period within which an employee shall exercise vested options, failing which the option would laps.
- Time period for exercise of vested options in the event of termination or resignation of an employee.
- Right of an employee to exercise all the vested options at one time or at various points of time within the exercise period.
- Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues, and other corporate actions or otherwise.