

# NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of the Company will be held on Monday, the 20th day of August, 2007, at L-7, Verna Electronic City, Verna Plateau, Verna - Goa - 403722 at 5.00 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007, and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend @ 100 % i.e. Rs.2/- per Equity Share on 3,00,04,850 Equity Shares of Rs.2/- each.
3. To appoint a director in place of Mr. Tony Tsao, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. A P Chen, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s Deloitte, Haskins & Sells, Chartered Accountants the retiring Auditors of the Company as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

## SPECIAL BUSINESS:

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

“RESOLVED THAT, Mr. Pradeep Rane, who holds office upto this meeting be and is hereby appointed a Director of the Company.”

7. 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 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the existing Articles 56 and 57 of the Articles of Association on the Company be and are hereby substituted by the following Articles:

56. The Executive Chairman, and Managing Director and Chief Executive Officer (CEO) shall not, while they continue to hold that office be subject to retirement by rotation or retirement of Directors but they shall, subject to the provision/s of any contract between them

and the Company, be subject to the same provision/s as to resignation and removal as the other Directors of the Company, they shall ipso facto and immediately cease to be Executive Chairman and Managing Director & CEO, as the case may be.

57. The remuneration including commission and other terms and conditions for appointment of Executive Chairman and Managing Director & Chief Executive Officer, including change in designation shall from time to time be fixed by the Board of Directors subject to the approval of shareholders.

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

“RESOLVED THAT, Mr. Jangoo Dalal, who holds office upto the date of this meeting be and is hereby appointed a Director of the Company.

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

“RESOLVED THAT subject to the provisions of Sections 269 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 and pursuant to Article 55 of the Articles of Association of the company, Mr. Jangoo Dalal be and is hereby appointed as the Managing Director and Chief Executive Officer (“Managing Director”) for a period of four (4) years commencing on and from 2nd July'2007 upon such terms and conditions as are expressed and contained in the draft agreement between the Company and said Mr. Jangoo Dalal”

FURTHER RESOLVED THAT subject provisions of Sections 198, 309 and other applicable provisions of the Companies Act, 1956 ('the ACT') read with Schedule XIII of the Act and subject to the approval of the Central Government, if applicable, the said Mr. Jangoo Dalal shall be entitled to the remuneration as per details given in the explanatory statement for his services as the Managing Director & CEO of the Company with effect from 2nd July'2007

RESOLVED FURTHER THAT subject to the approval of the Central Government, if applicable, the remuneration as set out above be paid to the Managing Director as minimum remuneration in the event of absence or inadequacy of profits in any financial year during the continuance of the tenure of the Managing Director.

## Notice (contd.)

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary any of the terms and conditions relating to the appointment and remuneration payable to Mr. Jangoo Dalal including change in designation.

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

**“RESOLVED THAT** the consent of the company be and is hereby accorded to change the existing Designation of Mr. K.R. Naik, Chairman & Managing Director as Executive Chairman.

**“RESOLVED THAT** pursuant to the resolutions passed by the members of the Company in the Annual General Meeting held on 1st September, 2006 and pursuant to the provisions of Section 198, 309 and other applicable provisions of the Companies Act, 1956 (‘the ACT’) read with Schedule XIII of the Act and subject to the approval of the Central Government, if applicable, consent of the Company be and is hereby accorded :

- i) the revision in salary from the present Rs.3,00,000 per month to Rs.5,00,000 per month w.e.f. 1st September, 2007
- ii) No sitting fees shall be payable to Mr. K.R.Naik for attending various Meetings of the Board and various committees of the Board w.e.f. 1st September, 2007
- iii) all other terms and conditions of his appointment shall remain the same as approved at the Annual General Meeting held on 1st September, 2006.

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

Setting up of ESOP for employees of D-Link (India) Limited

**“RESOLVED THAT** in accordance with the provisions contained in the Articles of Association and the provisions of Section 81(1A) and such other provisions of the Companies Act, 1956 (‘the Act’) as may be applicable, in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (‘the Guidelines’), for the time being in force and subject to such conditions and modifications as may be prescribed or imposed while 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’ which term shall be deemed to include any Committee

including Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including Directors of the company, whether whole-time or not, whether working in India or out of India under a Scheme titled ‘D-Link Employee Stock Option Plan 2007’ (hereinafter referred to as the ‘ESOP Scheme 2007’ or ‘Scheme’ or ‘Plan’) such number of equity shares and/or equity linked instruments (including Options), and/or any other instruments or securities (hereinafter collectively referred to as ‘Securities’) of the Company which may result into the issue of equity shares not exceeding 30,00,000 (Thirty Lakhs Only) Equity Shares of the Company of the face value of Rs.2/- each, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the applicable provisions of the law or guideline as may be prevailing at that time;

**“RESOLVED FURTHER THAT** the said Securities may be allotted directly to such employees/directors or in accordance with a Scheme framed in that behalf and / or through a trust which may be setup in any permissible manner and that the scheme may also envisage for providing any financial assistance to the employees or to the trust to enable the employee/trust to acquire, purchase, subscribe or hold the securities of the Company.”

**“RESOLVED FURTHER THAT** the new 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** for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

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

**Extending D-Link (India) Limited ESOP Plan to employees of Subsidiary Companies:**

“RESOLVED THAT in accordance with the provisions contained in the Articles of Association and the provisions of Section 81(1A) and such other provisions of the Companies Act, 1956 (“the Act”) as may be applicable, in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”), for the time being in force and subject to such conditions and modifications as may be prescribed or imposed while 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” which term shall be deemed to include any Committee including ESOP Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to extend the benefits of the “D-Link Employees Stock Option Plan 2007” proposed in the resolution under item no. 7 of this notice to the eligible employees / directors of the of the subsidiary companies, existing and as and when formed, and/or to such other persons, as may from time to time be allowed under the prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board.

“RESOLVED FURTHER THAT the said Securities may be allotted directly to such employees/directors or in accordance with a Scheme framed in that behalf and / or through a trust which may be setup in any permissible manner and that the scheme may also envisage for providing any financial assistance to the employees or to the trust to enable the employee/trust to acquire, purchase or subscribe to the securities of the Company.”

“RESOLVED FURTHER THAT the new 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 for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to

time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

**Item No. 13 : To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions contained in the Articles of Association and the provisions of Section 81(1A) and such other provisions of the Companies Act, 1956 (“the Act”) as may be applicable, in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”), for the time being in force and subject to such conditions and modifications as may be prescribed or imposed while 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” which term shall be deemed to include any Committee including Compensation Committee consent of the Company be and is hereby accorded to the Board and / or the Compensation Committee to grant out of the aggregate number of options proposed in the resolution under Item No. 11 of this Notice, up to 10,00,000 (Ten lakhs only) Stock options equivalent to approximately 3.33% of the present paid up capital of the Company to Mr. Jangoo Dalal, Managing Director & Chief Executive Officer of the Company under the ESOP Scheme 2007, as may from time to time be allowed under prevailing laws, rules and regulations and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing resolutions, the Board be and is hereby authorized in its absolute discretion to make and effect in compliance with applicable law to any modification(s), change(s) or revision(s) in the ESOP Plan 2007 from time to time or to suspend, withdraw or revive the same from time to time, and to do all such acts, things and deeds whatsoever, including settling any question, doubt or difficulty that may arise in relation to the said ESOP 2007 or with regard to or in connection with the offer, subscription, issue, allotment or payment of any equity shares arising out of conversion of Stock Options granted under the ESOP 2007 as the Board may

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consider necessary, expedient or proper without being required to seek further consent or approval of members or otherwise, to the end and intent that the members shall be deemed to have given the approval thereto expressly by the authority of the above Resolution."

**By order of the Board**  
**K.G. Prabhu**  
Company Secretary

25th June 2007

**Registered Office:**  
L-5, Verna Electronic City,  
Verna Plateau, Verna, Goa 403722

**Notes:**

1. 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.
2. 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 meeting.
3. The Register of Members and the Share Transfer Books of the Company, shall remain closed from Friday, 20th July 2007 to Thursday, 27th July 2007 (both days inclusive). The final dividend recommended by the Board, if approved by the shareholders at the 14th Annual General Meeting, shall, be paid to those members whose names appear on the Register of Members during the aforesaid period.
4. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, dividend declared for the financial year ended 31st March, 1996 and thereafter which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial year ended	Date of Declaration of Dividend	Last date of claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2001	29.09.2001	28.09.2008	27.10.2008
31.03.2002	24.08.2002	23.08.2009	22.09.2009
31.03.2003	19.07.2003	18.07.2010	17.08.2010
31.03.2004 (1st Interim Dividend)	10.11.2003	09.11.2010	08.12.2010
31.03.2004 (2nd Interim Dividend)	01.03.2004	29.02.2011	28.03.2011
31.03.2004 (Final Dividend)	28.09.2004	27.09.2011	26.10.2011
31.03.2005 (1st Interim Dividend)	25.11.2004	24.11.2011	23.12.2011
31.03.2005 (Final Dividend)	06.08.2005	05.08.2012	04.09.2012
31.03.2006 (Final Dividend)	01.09.2006	31.08.2013	30.08.2013

Note: There are no unclaimed dividends for the period from 31st March, 1996 to 31st March, 2001.

5. Information as required by Clause 49 (VIA) of the Listing Agreement:

As required by Clause 49 (VIA) of the Listing Agreement with the Stock Exchanges, the information relating to the Directors proposed to be appointed/ re-appointed is provided hereunder:

- i) Mr. Tony Tsao:

Mr. Tony Tsao, possesses Masters Degree in Business Administration from Illinois Institute of Technology, Chicago USA. Mr. Tony Tsao holds the position of President of D-Link International Ltd., Singapore and also holds the position of VP at D-Link Corp, Taiwan. Mr. Tsao has an overall experience of 23 years in the IT industry.

- ii) Mr. AP Chen

Mr. An-Ping Chen, possesses a Bachelors degree in Electronics Engg. and a Masters Degree in Business Administration from National Chiao-Tung University in Taiwan. He has over 30 years of industry experience and has held a number of senior positions in Citi Bank and Bank of Boston's Taiwan Branch. Mr. A.P. Chen is presently Director & CFO of D-link Corporation, Taiwan.

**By order of the Board**

**K. G. Prabhu**  
Company Secretary  
25th June, 2007

**Registered Office:**  
L-5, Verna Electronic City,  
Verna Plateau, Verna, Goa 403722

## NOTICE (contd.)

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

#### ITEM NO. 6

The Board of Directors of the Company in accordance with section 260 of the Companies Act, 1956, and Article 48 of the Articles of Association of the Company had appointed Mr. Pradeep Rane as an Additional Director of the Company w.e.f. 26th December, 2006.

The brief profile of Mr. Pradeep Rane is given below :

Mr. Pradeep Rane, 54 years of age, holds a Bachelor Degree in Science from Bombay University. He has more than 30 years of experience in overall administration of Pharmaceuticals industry. He is presently holding the position of President-Formulations at Alembic Limited.

Notice has been received from a Member u/s. 257 of the Companies Act, 1956 signifying intention to propose Mr. Pradeep Rane for appointment as Director of the Company liable to retire by rotation.

The Board commends the resolution to the members for their approval.

None of the Directors of the Company except Mr. Pradeep Rane is concerned or interested in this resolution.

#### ITEM NO. 7

Consequent to and to give effect to the proposal for appointment of Managing Director & Chief Executive Officer, the Board of Directors at its meeting held on June 25, 2007 has proposed to alter Articles 56 and 57 of Articles of Association of the Company subject to approval of Members at the Annual general Meeting.

None of the Directors of the Company is, in anyway, concerned or interested in the Resolution.

The above resolution is commended to the shareholders for their approval.

#### ITEM NO. 8

The Board of Directors of the Company in accordance with section 260 of the Companies Act, 1956, and Article 48 of the Articles of Association of the Company appointed Mr. Jangoo Dalal as an Additional Director of the Company w.e.f. 2nd July, 2007.

The brief profile of Mr. Jangoo Dalal is given below :

Mr. Jangoo Dalal, 42 years of age, holds a Bachelor

Degree in Science and Master of Management Studies (MBA) with specialization in Marketing from Bombay University. Mr. Jangoo Dalal brings with him about 19 years of industry experience from organizations like Wipro Infotech, Wipro British Telecom and Cisco Systems. He has varied and diverse experience in the I.T. and Communications industry encompassing Sales Management, Marketing & Product Management, Channel Management (India & Asia Pacific), Strategic Planning and Profit Center and Country Operations Management.

His immediate prior assignment was as President & Country Manager - Cisco Systems (India) Pvt. Ltd. for its India & SAARC Operations.

Mr. Jangoo Dalal does not hold any Directorship in any other Company. As on date he does not own shares of the company.

Notice has been received from a Member u/s. 257 of the Companies Act, 1956 signifying intention to propose Mr. Jangoo Dalal for appointment as Director of the Company.

The Board commends the resolution to the members for their approval.

None of the Directors of the Company except Mr. Jangoo Dalal is concerned or interested in this resolution.

#### ITEM NO. 9

The Board of Directors at its meeting held on 25th June, 2007 had appointed Mr. Jangoo Dalal, aged 42 years as Managing Director & Chief Executive Officer ("Managing Director") of the Company with effect from 2nd July, 2007 for a period of 4 years subject to approval of Members at the Annual general Meeting.

The remuneration and other terms and conditions of his appointment are as under:

1. Basic Salary: Rs.4,85,000/- per month with such annual increments as may be determined by the Board of Directors.
2. Performance Bonus : In addition to the basic salary, as payable under clause 1 above, the Company shall further pay the Managing Director Performance Bonus as under
  - a) The Managing Director shall be entitled to a maximum Performance Bonus of Rs.1,00,00,000/- (Rs. 1 crore only) on achieving the targeted Performance.

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- b) The target performance will be fixed by the Board of Directors at the beginning of each financial year after consultation with the Managing Director.
  - c) In the initial six months of appointment, it is assumed that Managing Director has achieved 100% of the performance targets due to the fact that in the initial few months, the Managing Director may not be able to make an impact on the performance of the company.
3. Perquisites : In addition to the Salary and Performance Bonus, as set out in 1 and 2 above, the Managing Director shall be entitled to the following perquisites :
- a. The Managing Director shall be paid a Housing Rent Allowance equivalent to 40% of the Basic Salary.
  - b. The Company shall provide the Managing Director with an air-conditioned car of an appropriate category to be maintained by the Company in accordance with the scheme followed by the Company for all its senior executives.
  - c. Reimbursement of all Medical expenses incurred for self and family, subject to a ceiling of Rs.50,000/- per annum.
  - d. Leave Travel Assistance for self and family in accordance with any rules specified by the Company subject to a ceiling of Rs.1,80,000/- p.a.
  - e. The Company shall reimburse to the Managing Director the annual fees of maximum two (2) clubs subject to a ceiling of Rs.2,00,000/- p.a.
  - f. The Managing Director will be entitled to the Provident Fund and Gratuity as per the rules of the Company.
  - g. For the purpose of calculating the above ceiling, perquisites, shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

For the purposes of this Agreement, "Family" shall mean and include Spouse and Dependent Children of the Managing Director.

Any subsequent increase in the remuneration with effect from the beginning of each financial year will be at the discretion of the Board of Directors of the Company and will be subject to the approval of the Shareholders of the Company in a general meeting.

In addition, subject to the approval of shareholders in a General Meeting, the Company will grant employee stock options not exceeding 10,00,000 to the Managing Director

as the Board or Compensation Committee may decide. The vesting and other terms of stock options will be such as may be determined by the Compensation Committee of the Directors of the Company.

The agreement entered into by the Company with Mr. Jangoo Dalal, in respect of his appointment as Managing Director & Chief Executive Officer contains, terms and conditions of his appointment, including remuneration.

The Board recommends approval of Mr. Jangoo Dalal as Managing Director & Chief Executive Officer of the Company.

Mr. Jangoo Dalal, Managing Director & Chief Executive Officer, being the appointee, is interested in the proposed resolution.

The agreement entered into with Mr. Jangoo Dalal will be open for inspection by members at the Registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of appointment of Mr. Jangoo Dalal as the Managing Director & Chief Executive Officer of the Company under Section 302 of the Companies Act, 1956.

### ITEM NO. 10

The shareholders at the Annual General Meeting held on 1st September, 2006 had approved the re-appointment of Mr. K.R. Naik as Chairman & Managing Director for a period of 5 years w.e.f. December 26, 2006. Consequent to the appointment of Mr. Jangoo Dalal as the Managing Director & Chief Executive Officer of the Company, the Board of Directors at its meeting held on 25th June, 2007 decided with the consent of Mr. K.R. Naik and subject to the approval of the shareholders in General Meeting, to change the designation of Mr. K.R. Naik as Executive Chairman w.e.f. July 2nd, 2007.

The Board also decided to revise the basic salary from the present Rs.3,00,000 per month to 5,00,000 per month w.e.f. 1st September, 2007. It was also proposed to discontinue the payment of sitting fees for attending Board and committee meetings to Executive Chairman w.e.f. 1st September, 2007. All other terms and conditions of appointment shall continue to remain the same as per the resolution passed by shareholders at the Annual General Meeting held on 1st September, 2006.

The Board recommends the resolution for the approval of the members.

None of the Directors, except Mr. K.R. Naik, is concerned or interested in passing of the Resolution.

The terms and conditions of Mr. K.R. Naik's variation in

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remuneration as set out above may also be treated as an abstract of the terms of appointment as required under Section 302 of the Companies Act, 1956.

### Item No 11

The Company is in the Networking industry part of information Technology Industry. There is severe scarcity of talent in this industry and retaining senior employees only by monetary compensation is proving to be difficult. It was therefore considered necessary in order to retain such senior employees by suitably compensating them by granting of stock options convertible into equity shares of the Company.

Members are aware that the Company has appointed Mr. Jangoo Dalal as the Managing Director & Chief Executive Officer of the Company for a period of 4 years w.e.f. 2nd July, 2007. One of the terms of appointment of Mr. Jangoo Dalal is that the Company will subject to approval of the shareholders in general meeting, grant him a maximum of 10,00,000 stock options of the company.

In order to grant stock options to Mr. Jangoo Dalal and to other employees, and to retain and motivate them, it is proposed to introduce a new scheme called "D-Link Employees Stock Option Plan 2007" subject to the approval of the shareholders and the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended (the "SEBI Guidelines").

In accordance with the requirements of clause 17.4 and clause 19.2 of the SEBI Guidelines the Company shall comply with the accounting policies specified in the Schedule I of the said Guidelines. In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value method for valuing the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the company shall be disclosed in the Directors' Report.

In accordance with the requirements of clause 17.4 and clause 19.2 of the SEBI Guidelines the Company shall comply with the accounting policies specified in the Schedule I of the said Guidelines.

The salient features of the Employee Stock Option Scheme are set-out below:

Total Options to be Allocated 30,00,000 Options convertible into 30,00,000 equity shares of Rs.2/- each under the Scheme each entitling the holder thereof to be issued and allotted one Equity Share in the Company at the price as stated here in below.

Identification of classes of employees entitled to participate in the ESOP

People who are "employees" of the Company, including Directors, as defined in the Guidelines (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force), and as may be decided by the Compensation Committee, from time to time.

Under the prevailing regulations, an employee who is a promoter or belongs to the promoter group or a Director, who hold directly or indirectly more than 10% of the equity shares of the company, will not be eligible to participate in the ESOP.

Requirements of vesting and period of vesting: Vesting of options will commence after a period of 1 year from the date of grant, and may extend up to 7 years from the date of grant. The vesting may occur in tranches, subject to the terms and conditions of vesting, as may be stipulated by the Compensation Committee, in its absolute discretion, and which may include performance appraisal of the employee and achievement of other performance or other milestones

Exercise Price of options: The Grant Price for all or any Options shall be determined by the Compensation Committee or the Board as the case may be but shall be not less than 80% of the Market Price as determined under the Guidelines.

Exercise Period and the process of Exercise: The exercise period will commence from the date of vesting, and will expire not later than 7 years from the date of grant of options, or such other period as may be decided by the Compensation Committee, from time to time.

The Options will be exercisable by the Employees by a written application to the company to exercise the Options, in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time.

The options will lapse if not exercised within the specified exercise period.

Appraisal Process for determining the eligibility of employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, and/or any such other criteria that may be determined by the Compensation Committee at its sole discretion.

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

The maximum number of Options granted per employee will not exceed 1% of the paid up Equity shares of the Company. However, Mr. Jangoo Dalal, Managing Director

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& Chief Executive Officer will be granted up to 10,00,000 (Ten Lakhs Only) Stock Options being approximately 3.33% of the paid-up capital of the Company under the Scheme.

Corporate Action: The number of options granted and/or the exercise price will be proportionately adjusted in the event of corporate actions such as bonus issues, rights issues, merger and amalgamations, de-merger and all such actions which may call for proportionate adjustment in the number of Options and/or the Exercise Price subject to the Exercise Price not being less than the face value of the Shares.

The Board recommends the resolution to the members for their approval.

Mr. Jangoo Dalal and other eligible employees of the company are concerned or interested in the resolution to the extent of stock options which may be granted to him/them under the Scheme.

### Item No. 12

The Company has the following subsidiaries as of date:

1. Gigabyte Technology (India) Limited.
2. Intercorridor Systems Limited

Further it is likely that the Company may have one or more subsidiaries in future also. This separate resolution is being proposed accordingly, to cover the employees of the subsidiaries, present and future. In addition any other persons as may be permitted from time to time under prevailing laws, rules and regulations and/or amendments thereto from time to time are also proposed to be covered under the ESOP. The broad features of the ESOP remain the same as explained in the explanatory statement for Item no.11.

Clause 6.3 (a) of the SEBI Guidelines requires a separate resolution to be passed for granting of Stock Options to the employees of the subsidiary/ies of the Company. To extend the benefits of ESOP Scheme 2007 to the employees of the subsidiaries this resolution is proposed.

The Board recommends the resolution to the members for their approval.

None of the Directors of the Company are interested or concerned in the passing of the resolutions except to the extent of any options which may be granted to them pursuant to this plan.

### Item No 13

Clause 6.3 (b) of the SEBI Guidelines requires a separate resolution to be passed for granting of Stock Options to the identified employees, during any one year, equal to or exceeding 1 % of the issued capital of the company at the time of grant of options.

Under the ESOP Scheme, 2007 and as explained in Item No. 10 above, Mr. Jangoo Dalal, Managing Director & Chief Executive Officer is proposed to be granted 10,00,000 stock options which will be more than 1% of the issued capital of the Company. Hence, the Board recommends the Resolution to the members for their approval.

Mr. Jangoo Dalal is concerned or interested in the Resolution to the extent of stock options, which may be granted to him under the scheme.

### By order of the Board

**K.G. Prabhu**

Company Secretary  
25th June, 2007

### Registered Office:

L-5, Verna Electronic City,  
Verna Plateau, Verna, Goa-403722