



*[Signature]*  
Saurabh S. Seth  
Chief Corporate Counsel  
& Company Secretary

## BATLIBOI LIMITED

**Registered & Corporate Office :** Bharat House, 5th Floor, 104, Bombay Samachar Marg, Fort, Mumbai – 400 001

**NOTICE** is hereby given that an Extraordinary General Meeting of the shareholders of the Company will be held on Tuesday, 13<sup>th</sup> December, 2011 at. M. C. Ghia Hall , 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai-400 001 at 12:00 noon. to transact the following business:-

1. To consider and if thought fit, to give assent / dissent to the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of the Companies Act, 1956, as may be applicable and subject to such other permissions and approvals as may be required, the approval of the Company be and is hereby accorded to the introduction of the "EMPLOYEE STOCK OPTION PLAN" (hereinafter referred to as "ESOP") by the Company for the purpose of granting Option, to acquire the equity shares of the Company, to the eligible Employees and/or Directors of the Company or of its holding company(ies) or subsidiary company(ies), as per the applicable laws prevalent from time to time.

**RESOLVED FURTHER THAT** in accordance with the provisions of the Memorandum and Articles of Association of the Company, Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment of the Act for the time being in force ("the Act"), and the provisions of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any modifications thereof or supplements thereto ("the Guidelines") and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, 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 constituted or to be constituted by the Board as the Remuneration/Compensation Committee), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the permanent employment of the Company, including all Directors other than Promoter Directors of the Company, whether working in India or out of India, under an "Employees Stock Option Scheme" (hereinafter referred to as "the Scheme") such number of equity shares and/or equity linked instruments (including Options), and/or any other instruments or securities of the Company (hereinafter referred to as "the Securities") which could give rise to the issue of Equity Shares of the face value of Rs.5 each, not exceeding ten per cent (10%) of the existing paid up Equity Share Capital of the Company, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with terms of the Scheme, the Guidelines or other provisions of the law as may be prevailing at that time.

**RESOLVED FURTHER THAT** the Securities may be allotted directly to such Employees/Directors or in accordance with a Scheme framed in that behalf through any appropriate mechanism and that such Scheme may also contain provisions for providing financial assistance to the Employees/Directors to enable them to acquire, purchase or subscribe to the Securities of the Company.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company, except that they shall be entitled for dividend on a pro-rata basis from the date of allotment till the end of the relevant financial year in which the new Equity Shares are allotted.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the securities allotted under the ESOP on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities and for implementation of the Scheme, the Board be authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any 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."

2. To consider and if thought fit, to give assent / dissent to the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of the Memorandum and Articles of Association of the Company, Section 81(1A) and all other applicable provisions of the Companies Act, 1956 including any statutory modification(s) or re-enactment of the Act, for the time being in force ("the Act") and the provisions of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any modifications thereof or supplements thereto ("the Guidelines") and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, 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 constituted or to be constituted by the Board as the Remuneration/Compensation Committee), consent of the Company be accorded to the Board to extend the benefits of the Employees Stock Option Scheme (hereinafter referred to as "the Scheme") proposed in the resolution under item No.1 in this Notice ,to the Employees and/or Directors of the holding company(ies) and/or subsidiary company(ies), and/or such other persons, as may from time to time be allowed under laws, rules, regulations and guidelines as may be applicable from time to time, on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any 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."

By Order of the Board  
For **BATLIBOI LIMITED**

Sd/-  
**Gaurang C. Shah**  
Company Secretary

Date: 31<sup>st</sup> October, 2011

Registered office:

Bharat House, 5th floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai - 400 001

**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.**
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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

## **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173[2] OF THE COMPANIES ACT, 1956.**

### **Item No. 1 & 2**

Total commitment, whole hearted support and team work of employees have been the main growth drivers of the Company in the recent past. The Management of the Company, therefore, thought it fit to encourage its employees to become partners in growth through an appropriate mechanism.

It has now been accepted internationally that Stock Option is an effective instrument to align the interests of employees with those of the Company. This also provides an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands.

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimize its personnel costs.

The Securities and Exchange Board of India (SEBI) has a comprehensive set of regulations, known as the Securities & Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines").

Pursuant to the Guidelines, the Company proposes to introduce an Employees Stock Option Scheme ("the Scheme") for the benefit of permanent employees of the Company, its Directors, employees/directors of its holding company(ies)/ subsidiary company(ies), and such other persons as may be permitted from time to time, under prevailing laws, rules and regulations and/or amendments thereto from time to time.

The Scheme will be under the superintendence of and be administered by the Company's Remuneration/Compensation Committee, which is a Committee of the Board of Directors, consisting of independent directors.

The Remuneration/Compensation Committee will formulate the detailed terms and conditions of the Scheme inter alia including -

- Number of options to be granted to any employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in employees may lapse;
- The exercise period within which an employee should exercise the option, and lapsing of option on failure to exercise the option within the exercise period;
- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
- The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, etc.;
- The grant, vesting and exercise of option in case of employees who are on long leave; and
- Any other related or incidental matters.

The salient features of the Scheme are as under :

#### **(A) The total number of options to be granted**

- (a) The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire up to ten per cent (10%) of the paid up Equity Share Capital of the Company.
- (b) Each Option would entitle Option Holder to acquire one (1) Equity Share of the Company.

#### **(B) Identification of classes of employees entitled to participate in the Scheme**

- (a) All eligible Employees and/or Directors of the Company or of its holding companies(ies) or subsidiary company(ies) selected by the Remuneration/Compensation Committee from time to time would be entitled to participate in the Scheme.
- (b) The class of employees eligible for participating in the Stock Options shall be determined on the basis of the grade, number of years' service, performance and such other parameters as may be decided by the Remuneration/Compensation Committee, in its sole discretion, from time to time.

#### **(C) Requirements of vesting and period of vesting**

- (a) There shall be a minimum period of one (1) year between the grant of Options and vesting of Options.
- (b) The Options granted would vest in to the eligible employee in three (3) instalments in the following manner :-
  - (i) 1/3rd of the total number of Options granted after 36 months, from the date of grant of Options.
  - (ii) 1/3rd of the total number of Options granted after 48 months, from the date of grant of Options.
  - (iii) 1/3rd of the total number of Options granted after 60 months, from the date of grant of Options.

Notwithstanding the above, the Compensation Committee, shall in its absolute discretion, have the authority to waive the aforesaid restrictions relating to the vesting of Options and shall communicate to the Eligible Employee, at the time of grant, the time and the manner of vesting of options, subject to a minimum vesting period of one year.

- (c) The vesting shall happen in one or more tranches as may be decided by the Remuneration/Compensation Committee.

#### **(D) Exercise Price or Pricing Formula**

The exercise price for the purposes of the grant of Options will be decided by the Remuneration/Compensation Committee at the time of grant of Options to the employees/directors. The exercise price shall be the closing price of the Company's equity

shares quoted on the Stock Exchange immediately prior to the date of Grant of the Options, which for this purpose shall be the date on which the Remuneration/Compensation Committee meets to make its recommendations for the grant of Options. The Committee may, at its sole discretion, consider a discount to such closing price.

**(E) Exercise Period and the process of Exercise**

The exercise period would commence from the date of vesting of Options and will expire not later than 5 years from the date of vesting of the Options or such other period as may be decided by the Remuneration/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 Remuneration/Compensation Committee from time to time.

The options will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period.

**(F) Appraisal Process for determining the eligibility of employees to the Scheme**

The appraisal process for determining the eligibility of the employee will be specified by the Remuneration/Compensation Committee.

**(G) Maximum number of options to be issued per employee and in the aggregate**

The maximum number of options to be granted per employee/Director will not exceed such number of options which shall entitle such employee to acquire one per cent (1%) of the paid-up Equity Share Capital of the Company. The aggregate of all such Options granted will not exceed Ten percent (10%) of the paid-up capital of the Company.

**(H) Accounting Methods**

The Company will confirm to the accounting policies specified in clause 13.1 of the Guidelines, and / or such other guidelines as may be applicable from time to time. The Company will adopt the Intrinsic Value Method to value its Options. The difference between the employee compensation cost so computed and the employee compensation cost shall have been recognized if the Company had used fair value method of the options shall be disclosed in the Directors Report and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors Report.

**(I)** Once the Options are vested, they can be exercised immediately and the resulting Equity Shares would not be subject to further lock-in.

**(J) Listing of the shares**

Subject to the approval of the Stock Exchanges, the relevant Equity Shares on exercise of Options shall be listed on the stock exchanges on which the equity shares of the Company are listed.

**(K)** The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**(L)** On the death of the Option Holder, all the outstanding Options would get automatically vested in his nominees or legal heirs. In the case of a permanent disability while in employment, all outstanding Options would get vested in him on that day.

**(M)** As the scheme will entail further equity shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Act, and as per the requirement of Clause 6 of the Guidelines.

**(N)** As per the Guidelines, a separate resolution is required to be passed if the benefits of the Scheme are to be extended to employees of the holding company(ies) and/or subsidiary company(ies). The resolution under item no.2 is being proposed accordingly, to cover those employees and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations and/or amendments thereto from time to time.

The Directors who would be eligible/qualify to join the Scheme may be deemed to be concerned or interested in these resolutions to the extent of the Options that may be granted to them under the Scheme.

Your Board recommends the resolution for approval.

By Order of the Board  
For **BATLIBOI LIMITED**

Sd/-

**Gaurang C. Shah**  
Company Secretary

Date: 31<sup>st</sup> October, 2011

Registered office:

Bharat House, 5th floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai - 400 001