

ESOP Policy

	Parameters	Scheme										
I	ESOP Pool	5% of the paid-up share capital of the company at any given point of time. (Face value of Rs.2/- each)										
II	Eligibility	Permanent employees of the Company with the designation of GM & above as on the date of grant.										
III	Frequency of grants	Options will be granted on the review by the Compensation Committee in its meetings held at least once in six months.										
IV	No. of Options based on the designation	<table><tr><th>Designation</th><th>No. of options</th></tr><tr><td>President/EVP</td><td>70,000</td></tr><tr><td>VP/ Sr. VP</td><td>40,000</td></tr><tr><td>AVP</td><td>25,000</td></tr><tr><td>GM</td><td>15,000</td></tr></table>	Designation	No. of options	President/EVP	70,000	VP/ Sr. VP	40,000	AVP	25,000	GM	15,000
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V	Vesting Condition	<ul style="list-style-type: none">Continued employment with the companyAchieving the performance ratings given belowFirst vesting of current employees not linked to performance ratingAll vestings of new employees in future linked to performance rating.										
VI	Performance rating Scale for vesting	<table><tr><th>Rating</th><th>% Vesting</th></tr><tr><td>Outstanding</td><td>100%</td></tr><tr><td>Excellent</td><td>100%</td></tr><tr><td>Competent</td><td>0%</td></tr><tr><td>Satisfactory</td><td>0%</td></tr></table>	Rating	% Vesting	Outstanding	100%	Excellent	100%	Competent	0%	Satisfactory	0%
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VII	Vesting Period	<ul style="list-style-type: none"> Options (to purchase the shares) will have a minimum one-year vesting period. Options will vest over a maximum period of four years. 																		
VIII	Vesting Schedule	<table border="1"> <tr> <td>First Grant:</td><td></td><td></td></tr> <tr> <td>Designation</td><td>1st Year (automatic)</td><td>2nd, 3rd, 4th year (Linked to performance ratings)</td></tr> <tr> <td>President / EVP</td><td>23,100</td><td>Balance equally over next 3 years</td></tr> <tr> <td>VP / Sr. VP</td><td>13,200</td><td>Balance equally over next 3 years</td></tr> <tr> <td>AVP</td><td>8,250</td><td>Balance equally over next 3 years</td></tr> <tr> <td>GM</td><td>4,950</td><td>Balance equally over next 3 years</td></tr> </table> <p>New Employees: (any employee, who has not completed at least one year of service on the date of the grant) 25% each year. Grant will take place at the first Compensation Committee meeting held after the employee joins the Company.</p>	First Grant:			Designation	1st Year (automatic)	2nd, 3rd, 4th year (Linked to performance ratings)	President / EVP	23,100	Balance equally over next 3 years	VP / Sr. VP	13,200	Balance equally over next 3 years	AVP	8,250	Balance equally over next 3 years	GM	4,950	Balance equally over next 3 years
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IX	Exercise price	<p>Grant A (for current eligible employees, who would have completed at least one year of service as on the date of the grant) - Rs.130/- per option (Face Value Rs.2/- per equity share)</p> <p>Grant B (for future / new eligible employees)- 15% discount to the latest available closing price, prior to the date of the meeting of the Compensation Committee in which options are granted, on the Stock Exchange on which the shares of the Company are listed and on which there is highest trading volume on the said date.</p>																		
X	Exercise Period	Three years from the date of vesting.																		

XI	Lock in period	Shares arising after exercise of options are not subject to any lock in period
XII	Resignation	Unvested options get cancelled, vested may be exercised before the last working day.
XIII	Retirement	Unvested options get cancelled, vested may be exercised within six months from the date of retirement.
XIV	Death / Permanent Incapacity	Unvested options, on the date of the event will vest immediately. All vested options can be exercised within one year from the date of such event by the legal heirs / employee.
XV	Misconduct	All vested but not exercised as well as unvested options get cancelled immediately.
XVI	Promotions*	<ul style="list-style-type: none"> • On promotion, employees are entitled to the incremental options (as per the new designation) for the balance period. • Vesting period for such incremental options will end along with the vesting period of the original options. • Exercise price for such incremental options will be Rs.130/- for the current eligible employees & as per the pricing formula for the future eligible employees. • Grant will take place at the first Compensation Committee meeting held after such promotion.

* For example, an employee is a GM on March 31, 2006 and is accordingly granted 15,000 options. After the first vesting (4,950 options), he is promoted to the position of an AVP. On such promotion, he would be granted an additional 6,700 (16,750 – 10,050) options at Rs.130/- per option, which would vest completely by June 2010 (the original vesting period).