



NOTICE

NOTICE IS HEREBY GIVEN THAT 26TH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF JAIN IRRIGATION SYSTEMS LIMITED SHALL BE HELD ON FRIDAY, 27TH SEPTEMBER, 2013 AT 11 AM AT REGISTERED OFFICE OF THE COMPANY AT JAIN PLASTIC PARK, NH NO. 6, BAMBHORI, JALGAON - 425001 TO TRANSACT THE FOLLOWING BUSINESS;

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 (including Balance Sheet as at 31st March, 2013 and Consolidated Balance Sheet as at 31st March, 2013, Cash Flow Statement and Profit & Loss account and Consolidated Profit & Loss account for the year ended on even date) together with Schedules, Notes thereon and the reports of Board of Directors and Auditor's thereon.
- 2) To declare a Dividend on Ordinary and DVR Equity Shares of ₹ 2 each as follows:

Sr. No.	Particulars of Equity Shares	Amount (₹)
1	25% (₹ 0.50 per share) on 435,619,978 Ordinary Equity Shares of ₹ 2 each	217,809,989
2	25% (₹ 0.50 per share) on 19,294,304 DVR Equity Shares of ₹ 2 each	9,647,152
	Total (excluding applicable Dividend Distribution Tax)	227,457,141

- 3) To appoint a Director in place of Mr. R Swaminathan, who retires by rotation and being eligible offers himself for re-appointment as Director.
- 4) To appoint a Director in place of Smt. Radhika Pereira who retires by rotation and being eligible offers herself for re-appointment as Director.
- 5) **Re-appointment of Statutory Auditors:**

To consider and if thought fit, to pass, with or without any modification as may be deemed fit, the following resolution as an ordinary resolution

“RESOLVED pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, THAT M/s. Haribhakti and Company, Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby reappointed as Statutory Auditors of the Company upto the conclusion of the 27th Annual General Meeting on remuneration as may be decided between Managing Director and Partner of Haribhakti & Co., and reimbursement of out of pocket expenses as may be incurred during the course of the audit”.

SPECIAL BUSINESS

6) ESOP Variation

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

- A) “RESOLVED pursuant to Clause 21.4 of the Employees Stock Option Plan, 2005 (ESOP, 2005) and in partial modification to the earlier resolutions passed on 30-5-2006 and 26-3-2009 on the subject and to approve the ESOP, 2005 and pursuant to the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Companies

Act, 1956 and other relevant provisions of law, THAT approval of the Company be and is hereby given to the following modifications, (not being prejudicial to the interests of the grantees of the Stock Options) to the ESOP, 2005 and the terms of issue of stock options already granted pursuant to such Plan”.

i) Clause 10 – Exercise Price (ESOP – 2005)

a) Set I

10% discount to the Market Price

b) Set II

25% discount to the Market Price. However Options cannot be Granted to the Grantee with this Exercise price after 180 days from the Effective date. (Expired on 8th November, 2006)

be and is hereby amended to read as follows

a) Set I

10% discount to the Market Price (closing price on BSE/NSE) ruling on the date when this resolution is passed by the Shareholders on 27-9-2013 or such date as may be decided by Compensation Committee, and it shall be applicable to all options which have been vested but not yet exercised by the grantees thereof;

ii) Clause 24 – Term of the Plan

Add Clause 24.4 as follows in ESOP - 2005

24.4 – The vested but unexercised options on 10th anniversary of the ESOP - 2005 i.e. 12th May, 2016, shall lapse and shall be inoperative.

“RESOLVED FURTHER THAT the Board and/ or the Compensation Committee be and is hereby authorized to take such steps to give effect to and that which are incidental or consequent to the amendments made to the Plan and the issue terms of the Stock Options including issuance of necessary documents to the employees, filings of documents with authorities and such other steps or acts as the Board/ Compensation Committee deem fit for this purpose”.

- B) “RESOLVED pursuant to Clause 21.4 of the Employees Stock Option Plan, 2011 (ESOP, 2011) and in partial modification to the earlier resolution passed on 30.09.2011 to approve the ESOP, 2011 and pursuant to the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Companies Act, 1956 and other relevant provisions of law, THAT approval of the Company be and is hereby given to the following modifications, (not being prejudicial to the interests of the grantees of the Stock Options) to the ESOP, 2011 and the terms of issue of stock options to be granted pursuant to such Plan”.

- i) Clause 6.3(O) of the ESOP - 2011 be and is hereby modified by deleting the words “Purchase” and “or from the secondary market” appearing in the Clause.



REVISED Clause 6.3(O) of ESOP - 2011 to read as follows

“6.3(O) set up a Trust for administration of the options and provide, inter alia, for grant of options to the Trust, provide for power to Trust to subscribe shares through exercise of options, for issue/ transfer of shares to the Employees on exercise of options”.

“**RESOLVED FURTHER THAT** the Board and/ or the Compensation Committee be and is hereby authorized to take such steps to give effect to and that which are incidental or consequent to the amendments made to the Plan and the issue terms of the Stock Options including issuance of necessary documents to the employees, filings of documents with authorities and such other steps or acts as the Board/ Compensation Committee deem fit for this purpose”.

for Jain Irrigation Systems Ltd.

Jalgaon
14-August-2013

A.V. Ghodgaonkar
Company Secretary

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 MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED HEREWITH. ALL PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, SIGNED, STAMPED AND SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE SCHEDULED COMMENCEMENT OF THE MEETING.
2. The Register of Members and related transfer books of the Company shall be closed from **Monday, 16th September, 2013 to Friday, 27th September, 2013 (both days inclusive)**.
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.
4. The background of the retiring Directors is given in the Director's Report as per the requirements of the Corporate Governance Code under Clause 49 of the Listing Agreement(s) entered into with the Exchanges.
5. Members who have not claimed dividend declared by the Company are requested to write to the Company for obtaining demand draft before the balance in the respective account gets transferred to Investor Education and Protection Fund as per rule established by the Central Government under Section 205C of the Companies Act, 1956. The details of unclaimed dividend as on 31st March 2013 are as follows.

Sr. No.	Year	Date of declaration	Unclaimed amount as on 31.03.2013 (₹)	Due date for transfer to IE&PF
1	2005-06	29.09.2006	273,556.80	29.10.2013
2	2006-07	27.09.2007	423,880.00	27.10.2014
3	2007-08	30.09.2008	574,880.60	30.10.2015
4	2008-09	30.09.2009	634,310.00	30.10.2016
5	2009-10	29.09.2010	1,178,721.00	29.10.2017
6	2010-11	30.09.2011	1,865,401.00	30.10.2018
7	2011-12	21.09.2012	2,299,119.00	21.10.2019
Total			7,249,868.40	

6. The dividend, if declared at the Annual General Meeting, will be paid on or after 5th October, 2013 to those shareholders or their mandate whose:
 - a) names appear as Beneficial Owners as at the end of the business hours on **Monday, 16th September, 2013** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the Shares held in electronic form.
 - b) names appear as members in the Register of Members of the Company after giving effect to valid share transfer in physical form lodged with the Company/its Registrar and Transfer Agent (RTA) on or before 16th September, 2013.

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

SPECIAL BUSINESS:

Item No. 6: ESOP Variation

The objective of ESOP 2005 and 2011 inter alia are:

- a) To encourage ownership of the Company by Employees and Directors of the Group on an ongoing basis.
- b) To motivate talent in the organization with the view to achieve long term business goals.
- c) To retain key talent in the organization.
- d) To attract quality talent.

However, since grant and vesting of options under ESOP – 2005 the share prices of Company's shares have gone down substantially. The ruling market price for shares is far lower than the Exercise Price for options granted to the Employee associates in 2007-2008 on 4 occasions. Further no options have been exercised since 2011 due to downward trend in share prices. This makes the exercise of the Stock Options not only unviable for the employees but even disappointing, considering that the employees have whole heartedly worked for the interests of the Company in the past four or five years since issue of the Stock Options towards achievement of its corporate goals. In the normal course, considering the extensive progress the Company has achieved thanks to the efforts of the employees, the market price would have risen to reflect such increase in the business, revenues and profits. To retain the interest and enthusiasm and to relieve the employees of the uncontrollable effects of global recession, it is proposed to improve the Exercise Price of the Stock Options to make them comparable to the current market price of the Equity Shares of the Company. The SEBI (ESOS/PS) Guidelines, 1999 Regulation 7, permits variation in terms of the ESOS in operation subject to Shareholders approval in General Meeting. The Clause(s) 24 of ESOP - 2005 and 25 of ESOP - 2011 also permit variation in Plan(s).

Table showing unexercised options of ESOP - 2005

Options	Scheme I	Scheme II	Scheme III	Scheme IV	Total
Total ESOPs granted	25,00,000	25,00,000	25,00,000	25,00,000	1,00,00,000
ESOPs exercised	23,58,050	22,24,625	24,71,250	0	70,53,925
Balance ESOPs unexercised	1,41,950	2,75,375	28,750	25,00,000	29,46,075

Thus, the Compensation Committee and Board of Directors have recently approved variation and recommended the Shareholders to approve the variations as proposed in Resolution. The plan is being amended to make certain changes, none of which are prejudicial to the interests of the employees, to reflect certain matters consequential to the proposed repricing and for certain changes to reflect the developments till date. The Company shall follow the intrinsic value method to value its options. 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 compensated cost that shall have been recognized if it had used the fair value of the options, the same shall be disclosed in the Directors' Report and also the impact of this difference on the profits and on EPS of the company shall also be disclosed in the Directors' Report. A copy of the original and amended Plan shall be laid before the meeting for review by the Members. The Company shall also duly comply with the accounting policies and related disclosure and other requirements as prescribed in the SEBI (ESOS/PS) Guidelines.

SEBI vide its circular CIR/CFD/DIL/3/2013 dated January 17, 2013 has directed that any provision in ESOP schemes giving ability for Company/ Trust to purchase shares from secondary market be deleted and scheme/ plan not in conformity with above circular be amended before 31-12-2013. Although, Company had the provision in ESOP – 2011 to purchase shares from secondary market through Trust route, it was never activated or utilized. No shares were purchased by Trustees under ESOP – 2011 till 17-1-2013 when SEBI issued the circular. It is necessary for scheme to be amended in light of SEBI circular.

None of the Directors are interested in the resolution placed before the shareholders in any way directly or indirectly except shares as are granted to Independent Directors by the Compensation Committee.

for Jain Irrigation Systems Ltd.

Jalgaon
14-August-2013

A.V. Ghodgaonkar
Company Secretary



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JAIN[®] Jain Irrigation Systems Ltd.

Regd. Office: Jain Plastic Park, N.H.No. 6, Bambhori, Jalgaon - 425 001 (M.S.)

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

1. Name of the attending Member: _____
(In Block Letters)

2. Register Folio No.: _____ No. of Shares _____ Type of Shares _____

3. Beneficiary A/c No. _____ DP Id No. _____
No. of Shares _____ Type of Shares _____

4. Name of Proxy (In Block Letters): _____
(To be filled if the Proxy attends instead of the member)

I hereby record my presence at the 26th Annual General Meeting at Jain Plastic Park, N.H.No.6, Bambhori, Jalgaon - 425001 of the Company on **Friday, 27th September, 2013** at 11.00 AM.

Member's / Joint Member's / Proxy's Signature



JAIN[®] Jain Irrigation Systems Ltd.

Regd. Office: Jain Plastic Park, N.H.No. 6, Bambhori, Jalgaon - 425 001 (M.S.)

PROXY FORM

I / We _____ of _____
being a member / members of JAIN IRRIGATION SYSTEMS LTD. hereby appoint _____
_____ of _____
(or failing him _____ of _____)

as my / our proxy and to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held at Jain Plastic Park, N.H.No.6, Bambhori, Jalgaon - 425001, on **Friday, 27th September, 2013** at 11.00 AM. and at any adjournment thereof.

Signed this _____ day of September, 2013.

Affix
Revenue
Stamp
₹ 1.00

DP Id _____ Signature(s) of Member(s) _____
Client Id _____ No. of Shares (Ordinary/ DVR) _____
Folio No. _____ No. of Shares (Ordinary/ DVR) _____

NOTE : THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. 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.

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