Notice

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PASSING OF RESOLUTIONS BY POSTAL BALLOT) RULES, 2001, IS HEREBY GIVEN THAT THE RESOLUTIONS MENTIONED BELOW ARE PROPOSED TO BE PASSED BY POSTAL BALLOT.

Amendment to the Authorised capital Clause of the Memorandum of Association and Articles of Association.

1. To consider and if thought fit, to pass, with or without modification as may be deemed fit, the following Resolution as a Special Resolution.

"RESOLVED THAT in terms of Section 16 and other applicable provisions of the Companies Act, 1956, if any, the consent of the Company be and is hereby given to amend Clause V of the Memorandum of Association of the Company, which be and is hereby modified to read as follows :

"Clause V of Memorandum of Association"

V. The Authorised Share Capital of the Company is Rs. 2,97,30,00,000 (Rs. Two hundred ninety seven crores Thirty Lacs only) divided into 92,65,00,000 Ordinary Equity Shares of Rs. 2/- each, 50,00,000 Redeemable Preference shares of Rs. 100/- each, and 31,00,00,000 Equity Shares-Differential Voting Rights (DVR Equity Shares) of Rs. 2/- each, with power to increase or reduce the capital and to divide shares in Capital for the time being, into several classes, and to attach thereto respectively, such preferential, deferred, qualified or special rights (whether relating to differential rights of dividends, voting or otherwise), privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions, in such manner as may be for the time being be provided by the Articles of Association of the Company.

Amendment to the capital Clause of the Articles of Association

"RESOLVED THAT in terms of Section 31 and other applicable provisions of the Companies Act, 1956, if any, the consent of the Company be and is hereby given to amend Article 4 of the Articles of Association of the Company, which be and is hereby modified to read as follows :

Article 4 of Articles of Association

4. The Authorised Share Capital of the Company is Rs. 2,97,30,00,000 (Rs. Two hundred ninety seven crores Thirty Lacs only) divided into 92,65,00,000 Ordinary Equity Shares of Rs. 2/- each, 50,00,000 Redeemable Preference shares of Rs. 100/- each, and 31,00,00,000 Equity Shares-Differential Voting Rights (DVR Equity Shares) of Rs. 2/- each, with power to increase or reduce the capital and to divide shares in Capital for the time being, into several classes, and to attach thereto respectively, such preferential, deferred, qualified of special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions, in such manner as may be for the time being be provided by the Articles of Association of the Company.

Issue of Bonus Equity Shares in ratio of 1 DVR Equity Share of Rs. 2 each for 20 Ordinary Equity Shares of Rs. 2 each held on "Record Date" to be fixed by the Board of Directors in consultation with the Stock Exchanges where the Equity Shares are listed.

2. To consider and if thought fit, to pass, with or without any modification as may be deemed fit, the following Resolution as an Resolution:

RESOLVED THAT, pursuant to the provisions of Section 86(a)(ii) read with the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the enabling provisions in the Articles of Association of the Company, Securities and Exchange Board of India, the Listing Agreement, Government of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and all other applicable Acts, rules and regulations, if any, and subject to any approvals, consents, permissions or sanctions of the any appropriate and/or concerned authorities as may be necessary and subject also to such terms, conditions and modifications as may be prescribed while granting such approvals, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company hereinafter called 'the Board' (which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution) for offer, allotment and issue of Equity Shares, with differential rights as to voting, as against existing Equity Share ("Ordinary Equity Shares"), or otherwise by way of bonus shares ("DVR Equity Shares") to domestic / foreign institutions, institutional investors, banks, mutual funds, companies, bodies corporate and/or other entities, individual Shareholders and subject to the consents of Financial Institutions, as may be applicable, the Board be and is hereby authorized to accept, if it thinks fit, the consent be and is hereby accorded to capitalize the necessary amount standing to the credit of General Reserve/ Securities Premium Account and part of the amount standing to the credit of Profit and Loss Account in the books of the Company as on 31st December 2010 for issue and allotment of such DVR Equity Shares of Rs. 2 each for distribution among the holders of existing Ordinary Equity Shares of Rs. 2 each of the Company, whose names will appear in the Register of Members of the Company on a date to be decided by the Board in that behalf as "Record Date", as an increase of the amount of share capital of the Company held by each such member and not as income or in lieu of dividend credited as 1 (One) DVR Equity Share for every 20 (Twenty) Ordinary Equity Shares of Rs. 2 each.

RESOLVED FURTHER THAT the above proposal will be subject to the following terms and conditions:

i) the DVR Equity Shares to be allotted as bonus shares will be allotted subject to the terms of the Memorandum and Articles of Association of the Company;

ii) every 10 DVR Equity Shares shall carry voting right on poll (on show of hands however they shall carry 1 vote for every person voting), equivalent to 1 Ordinary Equity Share of Rs. 2 each, such that any person holding less that 10 DVR Equity Shares shall hold fractional voting rights but shall rank *pari passu* in all other respects and carry the same rights as the Ordinary Equity Shares of the Company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declared in respect of the Financial Year in which the allotment of the DVR Equity Shares pursuant to this Resolution is made;

iii) the holder(s) of DVR Equity Shares will be entitled to bonus and/or rights shares of the same class of shares as and when such an issue is made in respect of Ordinary Equity Shares and on the same ratio and terms;

iv) In case of buy back or reduction of capital of Ordinary Equity Shares, the DVR Equity Shares shall also be subject to buyback or reduction on the same terms as Ordinary Equity Shares. Further, in case of issue of Ordinary Equity Shares or any other securities or assets to Ordinary Equity Shares in case of amalgamation/demerger/ reorganisation/ reconstruction, the DVR Equity Shares shall also be issued DVR Equity Shares and any other securities/assets as issued to Ordinary Equity Shares;

v) no Letter of Allotment will be issued by the Company in respect of DVR Equity Shares. However, the Equity Share certificates in respect thereof will be ready for delivery to the allottees within three months from the date of allotment thereof or in case of shares held in demat form the bonus DVR Equity Shares shall be issued in demat form by direct credit to the account of such Shareholders with depositories through one time corporate action after Record Date;

vi) if as a result of implementation of this Resolution, any member becomes entitled to a fraction of DVR Equity Shares to be allotted as bonus shares, the Company shall not issue any certificate or coupon in respect of such fractional shares, but the total number of such DVR Equity Shares representing such fractions shall be allotted by the Board to a Nominee to be selected by the Board who would hold them as Trustee for the Equity Shareholders who would have been entitled to such fractions, in case the same were issued. Such Nominee(s) will as soon as possible, sell such DVR Equity Shares allotted to him at the prevailing market rate and the net sale proceeds of such shares after adjusting the cost and expenses and taxes as applicable in respect thereof be distributed among such members who are entitled to such fractions in the proportion of their respective holding and allotment of fractions thereof;

vii) no allotment of bonus DVR Equity Shares or distribution of proceeds in respect of fractions to the non-resident Shareholders will be made till the approval of Reserve Bank of India is obtained by the Company;

viii) Separate class meeting shall be held if the rights of the DVR Equity Shares are affected in any manner adversely to obtain their consent to the variation of rights and at such a meeting all the provisions applicable to Ordinary Shareholder meetings shall apply *mutatis mutandis*;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized:

i) to do all such acts, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to, or in relation to, the issue or allotment of the bonus shares with differential rights, including their listing with the stock exchange(s) as may be deemed appropriate, and to resolve and settle all questions and difficulties that may arise in the proposed offer, issue and allotment of any of the aforesaid shares;

ii) to accept on behalf of the Company any conditions, modifications relating to the issue of bonus shares prescribed by the Reserve Bank of India or any other authority and which the Board in its discretion thinks fit and proper;

iii) Shall decide and finalise further detailed terms and conditions for the DVR Equity Shares so created;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or the any one or more whole-time Directors or officers of the Company to give effect to the aforesaid Resolution."

Transfer of existing Solar business to Wholly Owned subsidiary of the Company (to be formed)

3 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 THAT consent of the Company be and is hereby accorded to the Board of Directors ("the Board" which expression shall also include a committee thereof) of the Company pursuant to Section 293(1)(a) and, any other applicable provisions of the Companies Act,1956 and subject to requisite approvals, consents and clearance from the Company's Bankers, Financial Institutions, Trustees to the Debenture holders and / or other Lender Institutions / bodies, if and wherever necessary, to transfer the Company's undertakings, either whole or substantial, comprising of "Solar Division" (as defined in Explanatory Statement) as a going concern along with all assets (immovable and movable) and liabilities including all licenses, permits, consents, approvals whatsoever, to a newly incorporated Wholly Owned Subsidiary (yet to be incorporated) of the Company (on such terms and conditions and in such form and manner, as it may think fit) with effect from such date and for such consideration as the Board may deem appropriate arrived at based on the basis of independent valuation of the Solar Division.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do all acts, matters, deeds, agreements, and documents and subsequent modifications thereto, as may be necessary without further referring to the Members of the Company, including finalising the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalising and executing necessary documents including schemes, agreements, deeds of assignment/ conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company (including the power to delegate) to give effect this Resolution."

Amendment in Object Clause of Memorandum of Association :

4. To consider and if thought fit, to pass, with or without modification as may be deemed fit, the following Resolution as a Special Resolution

"RESOLVED THAT, pursuant to the provisions of Section 17 of the Companies Act, 1956, the Other Objects Clause of the Memorandum of Association of the Company be and is hereby altered by adding the following Clause III–C-82A to III-C-82D after the existing Clause III–C-81 thereof;

"III –C-82A To carry on the business of manufacturing, distribution, generation, transmission, supervision, supply and sale of all types of power whether conventional and/or non-conventional power generation including mechanical, hydraulic, hydel, gas, wind farm, solar, by using solid, liquid, gaseous or other form of fuel(s), including conventional as well as non-conventional fuels and/or any other form of energy input and organise an integrated and efficient development of electrical energy / associated systems in accordance with the National / State economic policies and objectives laid down by Government and to exploit the ancillary by production including carbon credit.

III –C-82B To generate, transmit, distribute, supply and sell power to third party and/or to central Government/State Governments, Power trading companies, Industries including commercial, residential, establishments or to any other consumers of Electricity and also for captive consumption, either directly or through transmission lines and facilities of Central Government / State Governments / Electricity Boards / Municipal bodies or any other entities whether in Public or in Private Sector of the power manufacture, generation, transmission and distribution.

III –C-82C To plan, develop and set up Power Plants / Projects, power stations, distribution centres, and to design, manufacture, assemble, supply, erect, commission, test, maintain, trouble shoot, repair and service transmission/ distribution facilities and to construct, lay down, establish, fix, erect and maintain power stations, power generating machinery and all other types of plant and machinery, electrical equipment and cables, wires, lines, accumulators, plant, motors meters, apparatus, materials, computer and control equipment, transmission lines, fittings, apparatus and things connected with the production, generation, use, storage, measurement, transmission, supply and distribution of the power in the capacity of principals, contractors or otherwise and to provide consultancy, expert services, advises, designs, drawings in relation to supervision and control of power in India and abroad.

III –C-82D To purchase, acquire, sell, take or give on lease or in exchange, licence or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, own, hold, improve, alter, manage, let, sell, dispose off or exchange lands, buildings, works, factories, workshops, warehouses, machinery and apparatus, water rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind in connection with generation or transmission of Power."

"RESOLVED FURTHER THAT, any one of the Directors or Company Secretary of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts and deeds necessary to give effect to this Resolution".

By Order of Board
For **Jain Irrigation Systems Ltd.,**

Sd/-

A.V.Ghodgaonkar
Company Secretary

Mumbai, 11th February 2011

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Special Business :

Item No.1 - Amendment to the Authorised Capital of the Memorandum of association and Articles of Association

The Board of Directors have considered and decided on 27th January 2011 to issue bonus DVR Equity Shares of the Company to eligible Shareholders by capitalising the Reserves. This needs an amendment in the Authorised Share Capital Clause in Memorandum of Association and the Articles of Association, before the Company can implement the Board decision. The Company may in the medium to long term (based on the market response to the DVR Equity Shares trading) raise funds without diluting further the voting rights in a significant manner for Equity Shareholders. The resolutions just amend /replace existing capital clause suitably to reflect new/innovative instruments.

The present and the proposed Authorised Capital is as follows:

Sr. No.	Particulars	Existing			After proposed amendment		
		No. of Shares	Face Value (Rs.)	Amount (Rs.)	No. of Shares	Face Value (Rs.)	Amount (Rs.)
1	Equity Shares	96,40,00,000	2	1,92,80,00,000	92,65,00,000	2	1,85,30,00,000
2	Preference Shares	1,00,00,000	100	1,00,00,00,000	50,00,000	100	50,00,00,000
3	Equity Shares (Differential Voting Rights)	–	–	–	31,00,00,000	2	62,00,00,000
4	Unclassified Shares	2,25,00,000	2	4,50,00,000	–	–	–
			Total	**2,97,30,00,000**		**Total**	**2,97,30,00,000**

The Board shall determine the detailed terms and conditions of the DVR Equity Shares of Rs. 2 each other than what is proposed in the Resolutions at Item 2 of the Notice.

The Directors of the Company recommend that the Resolution be passed as proposed. None of the Directors are in any way interested in the related Resolution placed before the meeting.

Item No. 2 - Issue of bonus Equity Shares with Differential Voting Rights (DVR's)

The Board of Directors have considered and decided on 27th January 2011 to issue bonus DVR Equity Shares of the Company to eligible Shareholders by capitalising the Reserves.

The Company is taking small steps towards using an innovative instrument of recent time in the Indian capital market, which is beneficial to all Shareholders. The Company management intends in the medium to long term (based on the market response to the DVR Equity Shares trading) to raise funds without diluting further the voting rights in a significant manner for Equity Shareholders.

The present level of Reserves of the Company is nearly 16 ½ of the Paid-up Equity Capital of the Company. Considering this position of Reserve the Board has proposed the issue of Equity Shares having differential voting rights (DVR), by way of bonus shares by increasing the Issued, Subscribed and Paid-up Equity Share Capital of the Company in the ratio of 1:20. Such DVR Equity Shares shall carry only 10% voting rights as compared to the Ordinary Equity Shares. Such Bonus DVR Equity Shares shall be distributed to the Members of your Company, whose names shall appear on its Register of Members or in the respective beneficiary account with the respective Depository Participants, on the "Record Date" to be determined by the Board of Directors of the Company in the proportion of One DVR Equity Share for every Twenty Ordinary Equity Shares held by them on the Record Date.

The Board of Directors commend the Resolution for approval of the Shareholders. All the Directors holding Ordinary Equity Shares in the Company's share capital are deemed to be interested in the Resolution at item 2 of the Notice to the extent of their shareholding, save and except above none of the Directors are interested in the Resolution in any manner.

Item No. 3 - Transfer of the Solar Division of the Company

Under Solar Division/business, the Company manufactures, installs, and operates Solar Water Heating systems, Solar Photovoltaic appliances, Solar pumps and other bio-energy sources. Your Company has been engaged in Solar Business for more than 17 years. Solar resources being available freely in the Country by means of solar radiation is one of the most important non conventional source of energy. It has big potential and as a small division of the Company it does not get the attention it deserves as a business with large potential. Therefore, Company wishes to bring focus on this business as a standalone entity. The Company also wishes to exploit non conventional sources of energy mainly through "Solar systems applications". Hence, the Company has decided to transfer, sell and/or dispose of in any other manner the whole of its solar business comprising of the following installed capacities as at 31st March 2010 :

a) Solar Water Heating systems 1.2 mn ltrs p.a.

b) Solar PV systems 0.8 mn watts p.a.

and other additions to capacity since then, till date of the transfer to a Wholly Owned Subsidiary (WoS) to be incorporated in Financial Year 2011-12. The business shall stand transferred to the WoS in terms of the authority vested in the Board through the proposed resolution on 1st April 2011 as the Appointed Date.

The Government of India, Ministry of Non Conventional Energy has launched a Solar Mission under which it has targeted as follows:

i) To create an enabling policy framework for deployment of 20,000 mw of Solar Power by the year 2022;

ii) To achieve 15 mn square mtr of solar thermal collector area by 2017 and 20 mn sq mtr by 2022;

iii) To deploy 20 mn solar lighting systems for rural areas by 2022;

And to achieve these objectives the private sector has to make focussed efforts in the Solar thermal and energy areas

Solar Business / Division/ Undertaking definition

All the assets properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, interests, intellectual property rights, powers, rights and titles, benefits and advantages of whatsoever nature and wherever situated of every description belonging to or in the ownership, power of possession and in the control of or vested in or granted in favour of or enjoyed by the Company's **"Solar Business"** as on the Appointed Date. All the debts, duties, liabilities and obligations of every description of, or pertaining to, the Company's **"Solar Business"** as on the Appointed Date as provided herein.

Without prejudice to the generality of the foregoing, the term **"Solar Business"** shall include the entire business of the Company's **"Solar Business"** which is being carried out under the trade name of "Jain Sunwatt" "Jain Solar" "Jain Jyot" etc or otherwise and shall include advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorizations, benefits, capital work-in-progress, concessions, rights and assets, industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registrations, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, right to use and avail of telephones, telexes, facsimile connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, trade names, all other utilities held by the Company's **"Solar Business"** or to which the Company's **"Solar Business"** is entitled to and the Appointed Date and cash and bank balances, all earnest moneys and / or deposits including security deposits paid by the Company's **"Solar Business"** and all other interests wheresoever situated, belonging to or in the ownership, power of possession of or in the control of or vested in or granted in favour of or enjoyed by or arising to the Company's **"Solar Business"** including the personnel employed by the division.

The Solar Division of the Company had achieved a turnover of Rs. 358.49 mn for the year ended 31st March 2010. The valuation shall include the Company's investment in assets of Rs. 175.2 mn as at 31st March 2010, and further addition to the fixed Assets before the Effective Date of the transfer, which will also be transferred along with the whole business for a consideration either in cash or against allotment and issuance of shares of the transferee company or for any other similar consideration in kind, as a part of "Corporate Restructuring" as the Board of Directors may deem fit in the best interests of the Company.

The object of transfer of Solar Division is to create valuation for our Shareholders and to meet the huge unexplored opportunities prevailing in solar energy / photovoltaic/water heating / home appliances / solar pumps sector.

The Board recommends the passing of the special Resolutions. None of the Directors of the Company are interested or concerned in the proposed Resolutions either directly of indirectly.

Item No. 4 - Amendment of Memorandum of Association Objects Clause:

As members may be aware the Company has invested in Wind Turbines Generators (WTG) of 13.2 mw for the fiscal incentives and is also trying to establish a unique agro and green waste based power generation model which can be established in rural areas and can be used to reduce dependence on grid power by the rural population and attain self sufficiency at a very low operating cost, albeit at a one time capital cost. The Company shall also consider using PV technology for a Solar Power Plant. The Company has already established Captive Power sources using renewable resources. All these initiatives shall help the Company to get cost effective power in a sustainable manner, reduce it's carbon footprint and allow it to create significant value. All these initiatives require amendment in the objects clause of the Memorandum of Association and hence require approval of shareholders through Postal Ballot in terms of the relevant rules.

The Company has installed Wind Power generation capability and other captive power capacity and is also generating power from bio methenation process in the Country (both for captive use) of approximately 13.2mw and 1.7mw respectively and to that extent the ratification of the said business shall be deemed to be in place from the day the Company commenced such activities.

The Resolution set out at item no. 4 of the Notice notifying the ballot is intended to authorize the consequent amendment to the Memorandum of Association. In view of the modification of the other (business) objects of the Company, the Memorandum of Association of the Company will have to be amended by adding the Clauses III-C-82 A to III-C-82 D after the existing Clause III-C-81.

The Board recommends the passing of the special Resolutions. None of the Directors of the Company are interested or concerned in the proposed Resolutions either directly of indirectly.

By Order of Board
For **Jain Irrigation Systems Ltd.,**

Sd/-

A.V.Ghodgaonkar
Company Secretary

Mumbai, 11th February 2011