



*Small Ideas. Big Revolutions.®*

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JISL/CS/2011/09

05.09.2011

To

Bombay Stock Exchange Ltd.,

Corporate Relationship Department,

1st Floor, New Trading Wing

Rotunda Building, P. J. Tower, Dalal Street

Fax No.022- 22722037/ 39/41/61 (Day)

Mumbai - 400 001

022-22723121/3719 (Night)

Email: corp.relations@bseindia.com

**Ref. : Clause 31 of the Listing Agreement Code No. 500219 (BSE) JISLJALEQS (NSE)**

**Sub: Meeting of Board of Directors held on 5<sup>th</sup> September, 2011.**

Dear Sir,

Please refer to our letter No. JISL/CS/2011/08 dated 05.08.2011, in continuation thereof we have to inform you that the Board of Directors of the Company have considered and approved the following items in the meeting held on 5<sup>th</sup> September, 2011 at Mumbai:

a) Notice convening 24<sup>th</sup> Annual General Meeting to be held on Friday, 30<sup>th</sup> September, 2011 for the Ordinary and Special business as mentioned in the said Notice. Enclosed herewith please find copy of Notice along with Explanatory Statement u/s 173(2) of the Companies Act, 1956 being dispatched to the Shareholders.

b) Launch of "Jain Irrigation Systems Ltd of Employees Stock Option Plan 2011" (ESOP 2011) with 5.356 mn options/shares, subject to all necessary approvals, in lieu of earlier ESOP 2005 wherein 5.356 mn unissued options/shares shall lapse. Hence, there will be no extra dilution with ESOP 2011 than what was envisaged under ESOP 2005.

Enclosed herewith please find certified true copy of the resolution with annexure passed by the Board of the Company for approving the ESOP 2011.

Please receive the above in order and acknowledge.

Thanking you

Yours faithfully,

**For Jain Irrigation Systems Ltd**



A V Ghodgaonkar

**Company Secretary**

The Manager

Listing Department,

National Stock Exchange of India Ltd.,

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex, Bandra (East),

Mumbai - 400 051.

Fax No. : 022-26598237/38      Email: [cmllist@nse.co.in](mailto:cmllist@nse.co.in)



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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS  
OF THE COMPANY AT MUMBAI ON 5<sup>TH</sup> SEPTEMBER 2011.**

a) **"RESOLVED** subject to shareholders approval **THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, ('the Act'), the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') (including any statutory modifications or re-enactment of the Act or the SEBI Guidelines, for the time being in force) and subject to the provisions contained in the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Ordinary Equity Shares of the Company are listed, any rules, and subject to other applicable law, approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent and approval of the Board of directors of the Company be and is hereby accorded to introduce and implement the Jain Irrigation Employee Stock Option Plan 2011 (hereinafter referred to as the "Plan") the salient features of which are detailed in the Annexure to this resolution and to create, grant, issue, offer and allot directly or through a trust which may be set up in any permissible manner, at any time or from time to time to the present and future permanent employees of the Company, including whole-time directors selected on the basis of criteria prescribed by the Board/Sub Committee in accordance with the SEBI Guidelines, (hereinafter referred to as "the Eligible Employees" of the Company, except a promoter or a person who belongs to the promoter group both these expressions being defined in the SEBI Guidelines and director who directly or indirectly holding more than 10% of the issued capital), such number of Options as the Board may decide, which would result in upto 43,56,000 Ordinary Equity Shares, (adjusted for any bonus, split, consolidation or other reorganization of the capital structure of the Company, as may be applicable from time to time) in one or more tranches at such price and on such terms and conditions as may be determined by the Board/sub committee, including providing for any financial assistance to the trust to enable the trust to acquire, purchase or subscribe to the Ordinary Equity Shares of the Company for the purposes of the Plan, subject to the guidelines issued by SEBI, the Act and other applicable law.

**RESOLVED FURTHER THAT** the Ordinary Equity Shares allotted and/or acquired by the Eligible Employees in accordance with the provisions of the Plan, shall rank pari passu in all respects with the existing Ordinary Equity Shares of the Company including with respect to dividend.

**RESOLVED FURTHER THAT** a Compensation Committee comprising of a majority of independent directors of the Company as constituted by the Board, be and is hereby authorised to identify the Eligible Employees and determine the number of options that may be offered to them pursuant to the Plan and to administer all functions and as may be specified in the Plan.

**b) RESOLVED** subject to shareholders approval **THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, ('the Act'), the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') (including any statutory modifications or re-enactment of the Act or the SEBI Guidelines, for the time being in force) and subject to the provisions contained in the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Ordinary Equity Shares of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India and subject to other applicable law, approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent and approval of the Board of Directors of the Company be and is hereby accorded to the Board to extend the Jain Irrigation Employee Stock Option Plan 2011 (hereinafter referred to as the "Plan") proposed in the aforesaid resolution, the salient features of which are detailed in the Annexure annexed to this resolution, to present and future permanent employees of the subsidiaries of the Company (in India or abroad) including whole time directors of the subsidiaries of the Company (in India or abroad), selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines (hereinafter referred to as "the Eligible Employees" of the Company's subsidiary, except a promoter or a person who belongs to the promoter group, both these expressions being defined in the SEBI Guidelines and director who directly or indirectly holding more than 10% of the issued capital) and to create, grant, issue, offer and allot, directly or through a trust which may be set up in any permissible manner, such number of options as the Board may decide, which would result in upto 10,00,000 Ordinary Equity Shares (which is in addition to the limit specified in the aforementioned resolution part a above).

**RESOLVED FURTHER THAT** the Ordinary Equity Shares allotted and/or acquired by the Eligible Employees in accordance with the provisions of the Plan, shall rank pari passu in all respects with the existing Ordinary Equity Shares of the Company including with respect to dividend.

**For Jain Irrigation Systems Limited**



A.V. Ghodgaonkar  
**Company Secretary**

### **Annexure to Board Resolution dated 5<sup>th</sup> September 2011**

The following information and description gives the rationale and other details of the Plan and also lists out the information required by the SEBI Guidelines and other provisions of the applicable laws.

1. The Plan is pursuant and subject to the SEBI Guidelines and the provisions of the Income Tax Act 1961 and rules, regulations and guidelines issued there under, if any, shall prevail over any term of the Plan that is inconsistent with the SEBI Guidelines and/or the Rules/guidelines issued under the Income Tax Act 1961 or any other applicable law.
2. The Plan shall be administered by and be under the superintendence of the Compensation Committee.
3. (a) The total number of options that may in the aggregate be granted to the Eligible Employees of the Company shall be such number that would result in such number of Ordinary Equity Shares of face value Rs. 2 each upto 43,46,000 Ordinary equity Shares of Rs 2 each.  
(b) The total number of options that may in the aggregate be granted to the Eligible Employees of the subsidiaries of the Company shall be upto 10,00,000 Ordinary Equity Shares of face value Rs. 2 each.

This limit is in addition to the limit mentioned in the paragraph a above. However, the Company may issue Options to whole-time directors, officers and Eligible Employees of the Company and its subsidiaries up to maximum of 100,000 Ordinary Equity Shares to a single Eligible Employee in one tranche. One option entitles the option holder to one Ordinary Equity Share.

4. The Options/Ordinary Equity Shares may be issued in such tranches, phases and manner as the Compensation Committee may deem fit. Before granting the options to whole-time directors, officers and Eligible Employees of the Company or any subsidiary under the Plan, the Compensation Committee/Board would, apart from examining and evaluating overall group corporate performance, inter alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution and conduct of the whole time directors, officers and Eligible Employees of the Company or any subsidiaries and such other factors as may be deemed appropriate by it.

5. Each option shall vest in the hands of the option holder after a minimum of 12 months from the date of grant of the option or such longer period as may be determined by the Compensation Committee/Board from time to time. The maximum vesting period shall be five years from the date of grant of the option or such other period as the Board may determine.

6. The options shall be valid and exercisable for such period as may be determined by the Board from time to time, but would not exceed a period of 5 years from the date of grant of options to the eligible employees.

7. Each option granted to an eligible employee shall entitle him/her to one Equity Share of the nominal value of Rs. 2/- each at a 10% discount to the market price, which would be the latest available closing price on the Stock Exchange which records the highest trading volume in the Company's Ordinary Equity Shares on the date prior to the date of the meeting of the Compensation Committee/ Board at which the options are granted or at such price as the Compensation Committee/ Board may determine in the date(s) of grant of the options. The option will be exercisable by the employees by a written application to the Board/ Compensation Committee / Trust which may be setup for this purpose. The options will be exercised in the manner provided in the Plan and on execution of such documents as may be prescribed by the Board/Committee.



8. The Company shall value the options granted under the Plan, at their 'fair value' as defined under the SEBI Guidelines and as may determined by the Compensation Committee/Board. The Company hereby formally undertakes and records that it shall conform to the accounting policies as specified in the SEBI Guidelines. In case the Company calculates the employee compensation cost using the intrinsic value of the 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 of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share ('EPS') of the Company shall also be disclosed in the Directors' Report.

9. The Compensation Committee/ Board may provide for operation of the Plan through a trust which shall be governed and operated in terms of the provisions stipulated therein.

10. The Committee/Board shall have the absolute authority to vary or modify the terms of the Plan in accordance with and subject to the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interests of the stakeholders.

11. The Ordinary Equity Shares may be allotted directly to the employees or in accordance with the Plan through any appropriate mechanism including through a trust or any other entity which may be setup for that purpose and such Plan may also contain provisions for providing financial assistance to the employees/ trust to enable the employees/trust to acquire, purchase or subscribe to the Ordinary Equity Shares or DVR Equity Shares from the market.

A handwritten signature in black ink, consisting of a stylized 'V' or 'W' shape followed by several horizontal strokes.