

**Jai
Corp
LIMITED**

Report  Junction.com

**22nd
ANNUAL REPORT
2006 - 2007**

HIGHLIGHTS

(Rs. in Lacs)

	2006 - 2007	2005 - 2006	2004 - 2005	2003 - 2004	2002 - 2003
Turnover & Other Income	35,010.61	22,064.97	30,784.14	22,844.43	23,288.67
Depreciation	995.87	818.52	772.40	830.26	900.25
Profit before tax	7,829.45	662.12	960.43	3,918.53	1,874.86
Tax for the year	645.45	(37.44)	118.15	1,159.31	166.07
Profit after tax	7,184.00	699.56	842.28	2,759.22	1,708.79
Dividend (including tax thereon)	Nil	Nil	Nil	Nil	Nil
Plough back including depreciation	8,182.02	1,518.95	1,610.84	3,590.25	2,627.87
Shareholders' Funds (Net Worth)	33,884.03	26,727.01	26,030.39	25,202.97	22,416.07
Debt / Equity Ratio	0.21/1	0.09/1	0.09/1	0.02/1	0.04/1

JAI CORP LIMITED

22nd ANNUAL REPORT 2006 - 2007

BOARD OF DIRECTORS

(As on 29th June, 2007)

J. K. Jain
Chairman

Virendra Jain
Managing Director

S. P. Jain

K. M. Doongaji

S.H. Junnarkar

D. K. Contractor

Dr. P. P. Shah

S. N. Chaturvedi

Gaurav Jain
Executive Director & Acting Chief Financial Officer

V. S. Pandit
Director-Works

REGISTERED OFFICE :

A-3, M.I.D.C. Indl. Area,
Nanded-431 603,
Maharashtra.

MANUFACTURING FACILITIES AT :

1. **Plastic Processing Division :**
Plot No. A-2/4, Plot No. A-2/8, Plot No. C-2/1
M.I.D.C., Murbad, Dist. Thane, Maharashtra.
140/1/1/1-1-140/1/1/9, Village Khadoli
Silvassa [Dadra & Nagar Haveli (U.T.)]
2. **Spinnings Divisions :**
Survey No. 246, Village Vasona,
Silvassa [Dadra & Nagar Haveli (U.T.)]
Survey No. 45 B, Govt. Industrial Estate, Masat,
Silvassa [Dadra & Nagar Haveli (U.T.)]
3. **Sipta Coated Steels Division :**
A-3, M.I.D.C. Indl. Area,
Nanded, Maharashtra.
4. **Comet Steels Division :**
A-4, M.I.D.C. Indl. Area,
Nanded, Maharashtra.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ananjan Datta

AUDITORS

Chaturvedi & Shah
Chartered Accountants

BANKERS

UTI Bank Ltd.,
HDFC Bank Ltd.,
Canara Bank

REGISTRARS & TRANSFER AGENT

KARVY COMPUTERSHARE PVT LIMITED

"KARVY HOUSE"

46, Road No. 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034.
Tel. : 040-23312454/23320251/751/752
Fax : 040-23311968
E-mail : psrchmurthy@karvy.com



NOTICE

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the Members of Jai Corp Limited will be held on Friday the 14th day of September, 2007 at 2:00 p.m. at the Registered Office of the Company at A-3, MIDC Industrial Area, Nanded- 431 603, Maharashtra to transact the following businesses :

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Satya Pal Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sandeep H. Junnarkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Praveen P. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors who shall hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

AS SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the appointment of Shri Virendra Jain as the Managing Director of the Company for a period of 5(five) years with effect from 4th January, 2007 upon the terms and conditions, including remuneration and minimum remuneration as set out in the Agreement to be entered into between the Company and Shri Virendra Jain, a draft whereof as placed before this meeting is hereby specifically approved with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement so long as the same is within the limits specified under Sections 198, 269, 309, 310 and Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in force, or any amendment thereto, as may be agreed between the Board of Directors and Shri Virendra Jain;

RESOLVED FURTHER THAT the amount of remuneration to Shri Virendra Jain in a financial year shall not exceed the ceiling of 5% of the net profits of that financial year and 10% of the net profits to all such managerial personnel taken together in that financial year as laid down in Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT in the event of any statutory amendment, modification, and/or relaxation by the Central Government to the Schedule XIII or to any of the Sections of the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limit and the aforesaid Agreement between the Company and Shri Virendra Jain be suitably amended to give effect to such amendments, modifications, relaxations and/ or variations without any further reference to the Company in a General Meeting;

RESOLVED FURTHER THAT till such time Shri Virendra Jain continues to remain the Managing Director he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary, proper and expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the appointment of Shri V.S. Pandit as the Director Works of the Company for a period of 5(five) years with effect from 1st April, 2007 upon the terms and conditions, including remuneration and minimum remuneration as set out in the Agreement to be entered into between the Company and Shri V.S. Pandit, a draft whereof as placed before this meeting is hereby approved with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement so long as the same is within the limits specified under Sections 198, 269, 309, 310 and Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in any force, or any amendment thereto, as may be agreed between the Board of Directors and Shri V.S. Pandit;

RESOLVED FURTHER THAT the amount of remuneration to Shri V.S. Pandit in a financial year shall not exceed the ceiling of 5% of the net profits of that financial year and 10% of the net profits to all such managerial personnel taken together in that financial year as laid down in Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT in the event of any statutory amendment, modification, and/or relaxation by the Central Government to the Schedule XIII or to any of the Sections of the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limit and the aforesaid Agreement between the Company and Shri V.S. Pandit be suitably amended to give effect to such amendments, modifications, relaxations and / or variations without any further reference to the Company in a General Meeting;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary, proper and expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 16, 94 and all 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 consent of the Company be and is hereby accorded that each equity share of the face value of Rs. 10/- each of the Company be and is hereby sub-divided into 10 equity shares of the face value of Re. 1/- each and that the sub-divided authorised share capital of the Company be and is hereby increased and re-classified from Rs. 25,00,00,000/- (Rupees Twenty five crores only) divided into 2,00,00,000 (two crores) equity shares of Rs. 10/- (Rupees ten only) each, 1% 15,000 (Fifteen thousand) Non-Cumulative Non-Participating Redeemable Preference Shares of Rs. 100/- (Rupees One hundred only) each and 4,85,000 (Four lakh eighty five thousand) unclassified shares of Rs. 100/- (Rupees One hundred only) each to Rs. 50,00,00,000 (Rupees Fifty Crore) divided into 45,00,00,000 (Forty five Crore) equity shares of Re. 1/- (Rupee One) each and 1% 15,000 Non-Cumulative Non-Participating Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 4,85,000 (Four Lacs Eighty five Thousand) unclassified shares of Rs. 100/- (Rupees Hundred) each with power to the Board to decide on the extent of variation in such rights;

RESOLVED FURTHER THAT the share certificates in relation to such of the issued equity shares of the Company as are in physical form be cancelled and fresh certificates be issued in lieu thereof with regard to the sub-divided equity shares in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in the case of shareholders who hold the equity shares/opt to receive the

sub-divided equity shares in dematerialised form, the sub-divided equity shares shall be credited to the respective beneficiary accounts of the shareholders with the respective Depository Participants in lieu of the equity shares presently credited to such accounts;

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following as new Clause V;

"V. The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 45,00,00,000 (Forty five Crores) equity shares of Re. 1/- (Rupee One only) each and 1% 15,000 (Fifteen Thousand) Non-Cumulative Non-Participating Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 4,85,000 (Four Lacs Eighty five Thousand) unclassified shares of Rs. 100/- (Rupees Hundred) each with rights, privileges and conditions as provided by the Company's Articles of Association for the existing share capital, subject to increase or decrease in accordance with the Company's regulations and legislative provisions for the time being in force in this behalf, and with power to divide the shares in the Capital for the time being into equity share capital, preference share capital with or without voting rights as may be permissible at law, and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Companies Act, 1956 and the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification amendment thereto or re-enactment thereof for the time being in force), the existing Article 2 of the Articles of Association of the Company be substituted by the following as new Article 2 :-

"2. The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 45,00,00,000 (Forty-five Crores) equity shares of Re. 1/- (Rupee One only) each and 1% 15,000 (Fifteen Thousand) Non-Cumulative Non-Participating Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 4,85,000 (Four Lacs Eighty Five Thousand) unclassified shares of Rs. 100/- (Rupees Hundred only) each with rights, privileges and conditions as provided by the Company's Articles of Association for the existing share capital, subject to be increased or decreased in accordance with the Company's regulations and legislative provisions for the time being in force in this behalf, and with power to divide the Shares in the Capital for the time being into equity share capital, preference share capital with or without voting rights as may be permissible at law, and to attach thereto respectively, any preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Companies Act, 1956 and the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company;

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 take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a sum of Rs. 862.91 lakhs out of the Company's Share Premium Account forming a part of the reserves and surplus of the Company be capitalised and that the said sum so capitalised be applied in creating and issuing at par 86,26,940 new Equity Shares of the Rs. 10/- each or 8,62,69,400 new Equity Shares of Re. 1/- each credited as fully paid up (hereinafter referred to as the "said Bonus Shares") in the share capital of the Company and the said Bonus Shares be appropriated as capital and not as income and allotted and distributed as fully paid up Bonus Shares to and amongst the persons registered in the Register of Members as holders of the existing Equity Shares of the Company or as beneficial owners of shares in the records of the Depositories appointed by the Company in the proportion of 1(one) number of new Equity Share for every 1 (one) number of existing Equity Share held by such Member as on a date to be hereafter determined by the Board (the "Record Date");

RESOLVED FURTHER THAT such new Equity Shares distributed as Bonus Shares shall rank *pari passu* in all respects with the existing fully paid Equity Shares of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or expedient."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including external commercial borrowings in foreign denominated currencies from any foreign sources / countries as prescribed by guidelines, if any, in this respect) from time to time at their discretion, for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs. 2500,00,00,000 (Rupees Two Thousand and Five Hundred Crores only) over and above the aggregate of the paid - up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable and expedient to give effect to this resolution."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations over such of the assets of the Company, both present and future or the whole or substantially the whole of any undertaking of the Company or any part thereof, together with power to take over the management thereof in certain events of default in such form and manner with such ranking as to priority and at such times and on such terms as may be decided by the Board of Directors in favour of financial institutions/banks/other lenders / trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by the financial institutions / banks / other lenders by way of private placement or otherwise, to secure loans, debentures, bonds or other instruments of an amount not exceeding in the aggregate Rs.2500 crores (Rupees Two thousand and five hundred crores only) together with interest thereon at the respective agreed rates, costs and all other moneys, expenses and fees payable by the Company to the aforesaid parties or any of them under the agreements / arrangements entered into / to be entered into by the Company in respect of the said loans, debentures, bonds or other instruments;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the aforesaid parties, the documents for creating the mortgages, charges and hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, proper, desirable or expedient for the purpose of giving effect to this resolution."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions contained in Section 372A and all other applicable provisions, if any, of the Companies Act 1956 or any other law for the time being in force (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the prior consent of the Company be and is hereby accorded to Board of Directors to acquire by way of subscription, purchase or otherwise the securities of the companies for an amount not exceeding in aggregate Rs.1000 crores (Rupees One thousand crores) engaged in infrastructure and allied sectors including investments in equity shares of Mumbai SEZ Limited, Rewas Ports Limited and Urban Infrastructure Holding Private Limited notwithstanding the fact that the proposed investments together with investments already made by the Company exceed the higher of 60% of the paid up share capital and free reserves of the Company or 100% of its free reserves;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on the Board to any Committee of Directors or the Managing Director or any Director(s) of the Company to give effect to the aforesaid resolution;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board / Committee/ Managing Director / Director(s) be and is hereby authorized to agree, make and accept all such terms(s), condition(s) modification(s) and alteration(s) as it/he may deem fit, including condition(s); modification(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations, or guidelines, and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise

in regard to such investment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee/ Managing Director / Director(s) in its/his absolute discretion may deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they/he shall be deemed to have been given approval thereto expressly by the authority of this resolution.

14. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, as also provisions of any other applicable laws, rules and regulations (including any statutory modifications thereto or re-enactment thereof for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and SEBI guidelines for Qualified Institutions Placement (QIP) specified under Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and subject to such approvals, consents, permissions and sanctions of such statutory and/or regulatory authorities as may be applicable and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board' which term shall be deemed to include any Committee which the Board may have constituted or hereafter may constitute for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, offer, issue and allot in one or more placements/ tranches to Qualified Institutional Buyers (QIB) as defined under sub-clause (v) of Clause 2.2.2B of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, equity shares for an aggregate sum not exceeding 25% of the post issued paid-up capital of the Company through placement document at such time or times at a price to be determined in accordance with Clause 13A.3 of SEBI guidelines for Qualified Institutions Placement specified under Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000;

RESOLVED FURTHER THAT in accordance with Clause 13A.2.2 of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, a minimum of 10% of the securities issued pursuant to said guidelines shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof then such minimum portion or part thereof may be allotted to other QIBs;

RESOLVED FURTHER THAT the relevant date for the QIP as per the Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended up to date, for determination of the applicable price for the allotment of Equity Shares and/or shares arising out of conversion of securities is 15.08.2007 i.e. the day 30 days prior to the date the general meeting at which this resolution is considered;

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER THAT the Board is also authorized to appoint, and enter into and execute all such arrangements/ agreements with any Merchant Bankers / Advisors/Registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like;

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the mode and the terms of issue and allot such number of equity shares as may be necessary in accordance with the terms of issue and/or placement document and all such shares will rank *pari passu* with the existing equity shares of the Company in all respects;

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of shares and utilization of proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as they may deem fit."

15. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, as also provisions of any other applicable laws, rules and regulations (including any statutory modifications thereto or re-enactments thereof for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and the SEBI (Disclosure and Investor Protection) Guidelines, 2000, and subject to such approvals, consents, permissions and sanctions of such statutory and/or regulatory authorities as may be applicable and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board' which term shall be deemed to include any Committee which the Board may have constituted or hereafter may constitute for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot by way of public issue, with or without provision for reservation on firm and / or competitive basis of such part of issue and for such categories of persons as may be permitted in the course of one or more public offerings in domestic market(s), equity shares to all eligible investors, including residents and/or non-residents and/or institutions / banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise and whether or not such investors are members of the Company, through one or more prospectus and/or letter of offer for all shares so issued and allotted could give rise to the issue of an aggregate sum not exceeding 25% of the post issued paid-up capital of the Company, such issue and allotment to be made at such time or times in one or more tranche or tranches, at such price or prices, at market price(s) or at a discount or premium to market price(s), in such manner and where necessary in consultation with the Book Running Lead Managers and/or Underwriters and/or other Advisors or otherwise on such terms and conditions, including issue of shares as fully or partly paid, making of calls and manner of appropriation of application money or call money in respect of different class(es) of investor(s) and/or in respect of different securities as the Board may in its absolute discretion decide at the time of issue of the securities;

RESOLVED FURTHER THAT the Board is also authorised to appoint, and enter into and execute all such arrangements/ agreements with any Merchant Bankers / Advisors/Registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like;

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the mode and the terms of issue and allot such number of equity shares as may be necessary in accordance with the terms of issue and all such shares will rank *pari passu* with the existing equity shares of the Company in all respects;

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of shares and utilization of proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as they may deem fit."

16. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 81(1 A), if any, and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the provisions of the applicable rules, regulations, guidelines or laws and subject to any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authority, institution or body (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions and modifications as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction 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), the Board be and is hereby authorised to issue, offer and allot, in international offering any security including Global Depositary Receipts and / or American Depositary Receipts convertible into equity shares, preference shares whether cumulative / redeemable / convertible at the option of the Company and / or the option of the holders of the security and / or securities linked to equity shares / preference shares and / or any instrument or securities representing convertible securities such as foreign currency convertible bonds debentures or warrants convertible into depositary-receipts underlying equity shares/ equity shares / preference shares, (hereinafter referred to as the "Securities") to be subscribed by foreign/domestic investors/institutions and/or corporate bodies/entities including mutual funds, banks, insurance companies and / or individuals or otherwise, whether or not such persons/entities/ investors are members of the Company whether in one or more currency, such issue and allotment to be made at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion think fit, in consultation with the lead managers, underwriters, advisors or other intermediaries for an aggregate sum not exceeding 25% of the post issued paid-up capital of the Company;

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of securities may have all or any terms or combination of terms including conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such other terms as are provided in securities offerings of this nature including

terms for issue of such securities or variation of the conversion price of the security during the duration of the securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of such securities on one or more stock exchanges including international stock exchanges, wherever permissible;

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the domestic and/or international practice and regulations, and under the norms and practices prevalent in securities markets;

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same as described above, the Board any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit;

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage /charge under Section 293(1)(a) of the said Act in respect of the aforesaid securities either on *pari passu* basis Otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

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 Chairman or any other officers /authorised representatives of the Company to give effect to the aforesaid resolution."

17. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors including their sub-accounts (hereinafter referred to as "the FIIs"), in the shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the total holding of all FIIs put together shall not exceed 49% of the paid up equity share capital outstanding at any point of time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

18. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81, if any, and all other applicable provisions of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable law and regulation, the Articles of Associations of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval (s), permission(s) and sanction(s) of any authority and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as "the Board" which term shall include 'Employees Stock Compensation Committee' of the Board) consent of the Company be and is hereby accorded to the Board to grant, offer and issue in one or more tranches or tranches , to such permanent employees of the Company whether working in India or abroad and Directors of the Company whether Whole time Director or otherwise (hereinafter referred to as the "Employees"), as may be decided by the Board, options exercisable by the Employees under a Scheme titled "Employees Stock Option Scheme " (hereinafter referred to as "the Scheme") to subscribe to such number of equity shares and/or equity linked instruments which could give rise to the issue of equity shares (hereinafter referred to as the "the securities") of the Company not exceeding 2,50,000 equity shares of the face value of Rs.10/- each or such other number of equity shares of equivalent value as may arise after giving effect to any corporate action like split, bonus etc. in one or more tranches, at such price and on such terms and conditions and inter alia, on the terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect such Scheme on such terms and conditions as contained in Explanatory Statement to this item in the Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the Scheme from time to time including but not limited to amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme;

RESOLVED FURTHER THAT the Equity Shares may be allotted in accordance with the Scheme either directly or through a trust which may be set up in any permissible manner and that the Scheme may also envisage for providing any financial assistance to the Trust to enable the trust to acquire, purchase or subscribe to the Equity Shares of the Company;

RESOLVED FURTHER THAT any new equity shares to be issued and allotted as aforesaid shall rank *pari passu* inter se with the then existing equity shares of the Company in all respects;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing the equity shares allotted under the Scheme on the stock exchanges where the equity shares of the Company are listed as per the provisions of the Listing Agreements with the stock exchanges concerned, the Guidelines and other applicable laws and regulations;

RESOLVED FURTHER THAT for the purpose of giving effect of this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any question, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

19. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable law and regulation, the Articles of Associations of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval (s), permission(s) and sanction(s) of any authority and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as "the Board" which term shall include 'Employees Stock Compensation Committee' of the Board) consent of the Company be and is hereby accorded to the Board extend the benefit of the Employees Stock Option Scheme referred to in the resolution under Item No. 18 in this Notice and duly passed at this meeting, also to such permanent employees of the subsidiaries companies of the Company whether working in India or out of India and Directors of the subsidiaries companies whether Whole time Directors or otherwise, as may be decided by the Board and/or such other persons, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions as may be decided by the Board;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any question, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

Mumbai,
9th August, 2007.

A.Datta
Company Secretary

NOTES :

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy or Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.
3. The Register of Members and Share Transfer Books will remain closed from Thursday, the day of 16th September, 2007 to Friday, the 24th day of September, 2007 (both days inclusive).

4. The amount of un-paid/un-claimed dividend for the financial year ended upto 1999-00 has been transferred to the Investor Education & Protection Fund. Un-paid/ un-claimed dividend for the year 2000-01 will be transferred to the Investor Education & Protection Fund on or after the date mentioned hereunder pursuant to the provisions of Section 205A of the Companies Act, 1956:

Un-paid Dividend 2000-01: 06-11-2008.

The members who have not en-cashed their dividend warrant/s are requested to make their claims to the Company's Registrar & Transfer Agent, Messrs Karvy Computershare Private Limited. It may be noted that once the un-paid dividend is transferred to the aforesaid Fund, no claim shall lie with the Company and/or the Fund in respect of such amount.

5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar & Transfer Agent, Messrs Karvy Computershare Private Limited details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s after making requisite changes thereon.
6. Non-resident Indian shareholders are requested to inform the Company immediately:-
 1. Change in residential status on return to India for permanent settlement.
 2. Particulars of NRE Bank Account maintained in India.
 3. Copy of Reserve Bank of India permission.
7. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations in respect of shares held by them in physical form are requested to send the necessary particulars in Form 2B (available on request) to the Company's Registrar & Transfer Agent, Messrs Karvy Computershare Private Limited.

By Order of the Board of Directors

Mumbai,
9th August, 2007.

A.Datta
Company Secretary

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

Item No. 6:

The Board of Directors (hereafter referred to as "the Board") at their meeting held on 4th January, 2007 appointed Shri Virendra Jain as Managing Director of the Company for a period of five years commencing from 4th January, 2007. The appointment of Shri Virendra Jain is subject to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (hereafter referred to as "the Act") read with Schedule XIII to the Act. The draft Agreement proposed to be entered into with Shri Virendra Jain inter-alia contains the following terms: **Salary**: Rs.2,00,000/- per month. **Commission**: In addition to salary and perquisites, based on the net profits of the Company in a particular financial year computed in the manner laid down in Section 309(5) of the Act, commission may also be paid as may be approved by the Board not exceeding the limits laid down in Section 309(3) of the Act. **Perquisites and Allowances** : Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs, medical expenses/re-imbursement for self and his family including dependants, leave travel concession for self and his family including dependants, club fees, medical insurance and such other perquisites and allowances as agreed/authorized by the Board up to Rs.2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Act. The minimum remuneration payable to Shri



Virendra Jain in the event of loss or inadequacy of profits in any financial year during the period of his appointment will be subject to a maximum ceiling of Rs. 24,00,000/- per annum or up to Rs. 2,00,000/- per month, including the perquisites set out in Section II Part II of Schedule XIII to the Companies Act, 1956.

The Board commends the passing of this resolution as an ordinary resolution. The draft Agreement proposed to be entered into between the Company and Shri Virendra Jain is available for inspection by the Members of the Company at the Registered Office of the Company between 11:00 a.m. and 2.00 p.m. on any working day of the Company. The above may be treated as abstract of the Agreement proposed to be entered into between the Company and Shri Virendra Jain pursuant to Section 302 of the Companies Act, 1956. No other Director except Shri Jai Kumar Jain, Shri Satyapal Jain and Shri Gaurav Jain Directors of the Company, being related to Shri Virendra Jain may be considered concerned or interested in this resolution.

Item No. 7:

The Board of Directors (hereafter "the Board") at in their meeting held on 14th March, 2007 appointed Shri Vasudeo Srinivas Pandit as Director – Works of the Company for a period of five years commencing from 1st April, 2007 up to 31st March, 2012. The appointment of Shri Vasudeo Srinivas Pandit is subject to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (hereafter referred to as "the Act") read with Schedule XIII to the Act. The draft Agreement proposed to be entered into with Shri Vasudeo Srinivas Pandit inter-alia contains the following terms : **Salary** : not exceeding Rs.2,00,000/- per month. **Commission**: In addition to salary and perquisites, based on the net profits of the Company in a particular financial year computed in the manner laid down in Section 309(5) of the Act, commission may also be paid as may be approved by the Board not exceeding the limits laid down in Section 309(3) of the Act. **Perquisites and Allowances** : Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs, medical expenses/re-imbursement for self and his family including dependants, leave travel concession for self and his family including dependants, club fees, medical insurance and such other perquisites and allowances as agreed/authorized by the Board up to Rs.2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Act. The minimum remuneration payable to Shri Vasudeo Srinivas Pandit in the event of loss or inadequacy of profits in any financial year during the period of his appointment will be subject to a maximum ceiling of Rs. 24,00,000/- per annum or up to Rs. 2,00,000/- per month, including the perquisites set out in Section II Part II of Schedule XIII to the Companies Act, 1956.

The Board commends the passing of this resolution as an ordinary resolution. The draft Agreement proposed to be entered into between the Company and Shri Vasudeo Srinivas Pandit is available for inspection by the Members of the Company at the Registered Office of the Company between 11:00 a.m. and 2.00 p.m. on any working day of the Company. The above may be treated as abstract of the Agreement proposed to be entered into between the Company and Shri Vasudeo Srinivas Pandit pursuant to Section 302 of the Companies Act, 1956. No other Director other than Shri Vasudeo Srinivas Pandit may be considered concerned or interested in this resolution except as a member of the Company.

Item Nos. 8, 9 & 10:

- a) The fully paid-up equity shares of the Company are trading at a price of more than Rs.4,000/- per share and such high value of each share seems to be gradually emerging as a constraint for small investors from participating in the value creation process at the Company, which has, therefore, also led to gradual reduction in liquidity of the

Company's shares and hence increased volatility in the stock. Towards overcoming the liquidity problems and enabling better and increased participation of small investors, it is proposed to reduce the nominal value of the Equity shares of the Company by sub dividing the face value from Rs. 10/- per equity share to Re. 1/- per equity share. It is also proposed that the Memorandum of Association be amended in order to reflect the alteration in the capital structure of the Company.

- b) Further, the Company, in order to meet its growth objectives and to strengthen its financial position may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorized Share Capital of the Company from Rs. 25 crores to Rs.50 crores and for that purpose the Memorandum of Association and the Articles of Association of the Company are proposed to be suitably altered as set out in the resolutions at Item Nos. 8 and 9 of the accompanying Notice.
- c) It is proposed to enhance shareholders' value by issuing fully paid Bonus Shares in the ratio of 1(one) fully paid Equity Share for 1(one) fully Equity Share held by the Member.

Hence, resolutions at Item Nos. 8, 9 and 10 of the accompanying Notice have been proposed by the Board of Directors.

The Board of Directors accordingly recommend the resolutions set out at Item Nos. 8, 9 and 10 of the accompanying Notice for the approval of the Members.

The Directors of the Company may be deemed to be interested in these resolutions to the extent of their respective shareholdings in the Company in the same proportion as that of every other member of the Company.

Item Nos.11, 12 & 13:

In terms of the provisions of Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course, of business, in excess of the aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose. Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits. Hence, the resolution at Item 12 under Section 293(1)(d) of the Companies Act, 1956. As the proposed borrowing may require mortgaging the properties of the Company to secure such borrowing. Hence the resolution at Item 11 under section 293(1)(a) of the Companies Act, 1956.

To expand the Company's operation it is desirable to invest in different sectors of infrastructure and allied businesses. Considering the future outlook of the Company, the Board of Directors of the Company has decided to invest in these sectors, to acquire by way of subscription or otherwise, securities of amount not exceeding Rs.1,000 crores (Rupees One thousand crores). The investment would be made depending upon market conditions and in stages, as the Company may deem fit, which shall ultimately result seek to achieve gaining dominant market leadership. Mumbai SEZ Limited is a company registered in Maharashtra and is currently engaged in developing Special Economic Zones ; Rewas Ports Limited is a company registered in Maharashtra and is currently engaged in developing Ports and Urban Infrastructure Holding Private Limited is a company registered in Maharashtra and is currently engaged in Infrastructural development .

The Special Resolution at Item 13 is to enable the Company to seize an opportunity available and to save the time gap between available opportunity and approval required from shareholders.

The Board of Directors accordingly recommend the resolutions set out at Item No. 11, 12 and 13 of the accompanying Notice for the approval of the Members.