

NOTICE

NOTICE is hereby given that the Twenty-third Annual General Meeting of the Members of Jai Corp Limited will be held on Saturday the 30th day of August, 2008 at 12:00 noon 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 consider and adopt the audited Balance Sheet as at March 31, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Preference Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a Director in place of Shri Virendra Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Jai Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Khurshed M. Doongaji, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Messrs Chaturvedi & Shah, Chartered Accountants, the retiring auditors as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

AS SPECIAL BUSINESS:

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

“**RESOLVED THAT** Shri Anand Jain who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

9. 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 Gaurav Jain as the Managing Director of the Company for a period of 5(five) years with effect from 4th June,2008 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 Gaurav Jain, a draft whereof as placed before this meeting is hereby specifically approved with the authority to the Board of Directors to alter and/ or 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 Gaurav Jain;

RESOLVED FURTHER THAT the amount of remuneration to Shri Gaurav 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 Gaurav 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 Gaurav 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.”

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

“**RESOLVED THAT** Messrs S.R.Batliboi & Co., Chartered Accountants, be and are hereby appointed as the Joint Auditors of the Company together with Messrs Chaturvedi & Shah, Chartered Accountants, the retiring Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon between the said Messrs S.R.Batliboi & Co.and the Board of Directors of the Company.”

11. 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, the articles contained in the draft Articles of Association submitted to this meeting, and for the purpose of identification initialled by the Chairman thereof, be and are hereby approved and adopted as new set of Articles of Association of the Company in substitution for, and to the entire exclusion of the existing Articles of Association.”

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

“RESOLVED THAT pursuant to 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 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 and/or Fully Convertible Debentures/ and/ or Partly Convertible Debentures and/or any securities other than warrants, which are convertible into or exchangeable with equity shares at a later date 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 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/Fully Convertible Debentures/Partly Convertible Debentures and/or shares arising out of conversion of securities is 31.07.2008 i.e. the day 30 days prior to the date of holding 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.”

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

“**RESOLVED THAT** pursuant to all applicable provisions, if any, of the Companies Act, 1956, and all other applicable rules, regulations, guidelines and laws (including any statutory modifications thereto or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which shall include any Committee constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution) to sell, transfer, assign or otherwise

dispose of all or some of the shares held by the Company in one or more of its subsidiary company (ies) to any other subsidiary company (ies) of the Company at such time or times and on such terms and conditions as may be approved by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the process/ documents to transfer/ sell/assign the said shares and to do all such acts, deeds matters and things as may be deemed necessary or expedient for giving effect to this resolution.”

By Order of the Board of Directors

Mumbai,
31st July, 2008.

A.Datta
Company Secretary

NOTES :

1. The 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. Corporate Members are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books will remain closed from Saturday, the 23rd day of August, 2008 to Saturday, the 30th day of August, 2008 (both days inclusive).
4. The dividend recommended by the Board of Directors, if declared at the Meeting will be payable to those Members whose names are registered in the Register of Members of the Company on 22nd August, 2008.
5. Un-paid/ un-claimed dividend for the year 2000-01 will be transferred to the Investor Education and Protection Fund on or after 06-11-2008 pursuant to the provisions of Section 205A of the Companies Act, 1956. The members who have not en-cashed their dividend warrant/s are requested to immediately make their claims to the Company's Registrar and 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.

6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and 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.

7. Non-resident Indian shareholders are requested to inform the Company immediately:-

(i) Change in residential status on return to India for permanent settlement.

(ii) Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.

(iii) Copy of Reserve Bank of India permission.

8. 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 and Transfer Agent, Messrs Karvy Computershare Private Limited.

9. Re-appointment of Directors: At the ensuing Annual General Meeting, Shri Virendra Jain, Shri Jai Kumar Jain and Shri Khurshed M. Doongaji retire by rotation and being eligible offer themselves for re-appointment. The details pertaining to these Directors required to be provided pursuant to Clause 49 of the Listing Agreement are furnished in the statement on Corporate Governance provided elsewhere in the Annual Report.

By Order of the Board of Directors

Mumbai,
31st July, 2008.

A. Datta
Company Secretary

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

Item No. 8:

Appointment of Director:

The Board of Directors in their Meeting held on 24th September, 2007 had appointed Shri Anand Jain as an Additional Director. As per the provisions of Section 260 of the Companies Act, 1956 Shri Anand Jain can hold office only up to the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his name as a Director, along with the required deposit amount.

Shri Anand Jain -Chairman (51 years), is a graduate from the University of Mumbai and has a degree in Risk Management from London Business School. He is a promoter of the Company. He is a highly successful entrepreneur with over 25 years' of experience in various businesses. He has a rare expertise in three diverse fields: real estate, finance and capital markets. He is the Chairman of Navi Mumbai SEZ Private Limited, Mumbai SEZ Limited, Reliance Haryana SEZ Limited and Urban Infrastructure Venture Capital Limited. Besides these, he is a Director of Rewas Ports Limited, Tally Solutions Private Limited and The Indian Film Combine Private Limited. He has been appointed by the Government of Maharashtra as a Member of the "Empowered Committee for Transformation of Mumbai into a World Class City." He is also a member of the "Citizens Action Group" dedicated to bring Mumbai on the International map. He is an ex-trustee of the Mumbai Port Trust and JNPT. He is an active member of the Young Presidents Organisation (YPO) an International Organisation committed to the development of "Better Presidents through Education and Idea Exchange". He was also the Honorary Consul of Mongolia in Mumbai and is a member of Managing Council of Sir Hurkisondas Nurrotamdas Hospital and Research Centre. He holds 33,31,840 equity shares in the Company.

The Board of Directors is of the opinion that the appointment of Shri Anand Jain is in the best interest of the Company and accordingly recommend the resolution set out in Item no. 8 of the accompanying Notice for approval of the Members.

Other than Shri Anand Jain, Shri Jai Kumar Jain, Shri Virendra Jain and Shri Gaurav Jain, Directors of the Company being related to Shri Anand Jain, no other Director is, in anyway, concerned or interested in this resolution except as a member of the Company.

Item No. 9:

Appointment of Managing Director

Consequent to the resignation of Shri Virendra Jain as Managing Director, the Board of Directors (hereafter referred to as "the Board") at their meeting held

on 4th June, 2008 appointed Shri Gaurav Jain as Managing Director of the Company for a period of 5 (five) years commencing from 4th June, 2008. Shri Virendra Jain continues as a Director of the Company. The appointment of Shri Gaurav 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 Gaurav 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 re-imbursment of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs, medical expenses/re-imbursment 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 Gaurav 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.

Shri Gaurav Jain – (28 years), has graduated with dual degrees from The Wharton School-Bachelor of Science in Economics with specialisation in Finance and School of Engineering and Applied Science - Bachelor of Science in Engineering with major in Computer Science and Engineering from University of Pennsylvania, USA. He was involved in looking after the textile division as well as the Company's real estate business. He was instrumental in setting up Adventity BPO India Private Limited which is a business process outsourcing (BPO) company. He joined the Board of the Company on 12-03-2004. He was appointed the Whole-time Director of the Company with effect from 1st October, 2006 for a period of 5 (five) years. The shareholders' approval for the same was obtained at the 21st Annual General Meeting held on 24th August, 2006. He holds 1,04,27,200 equity shares in the Company. List of other companies where Shri Gaurav Jain is a director is given in the Corporate Governance Report provided elsewhere in this Report..

The Board of Directors is of the opinion that the appointment of Shri Gaurav Jain is in the best interest of the Company and accordingly recommend the resolution set out in Item no. 9 of the accompanying Notice for approval of the Members.

The draft Agreement proposed to be entered into between the Company and Shri Gaurav 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 Gaurav Jain pursuant to Section 302 of the Companies Act, 1956.

Other than Shri Gaurav Jain, Shri Jai Kumar Jain, Shri Anand Jain, and Shri Virendra Jain Directors of the Company, being related to Shri Gaurav Jain, no other Director is, in anyway, concerned or interested in this resolution except as a member of the Company.

Item No. 10:

Appointment of Joint Auditors:

In view of the substantial increase in activities of the Company, the Board of Directors feels it necessary to recommend appointment of a Joint Auditor to hold office along with the existing Statutory Auditors of the Company.

A Special Notice under Section 190 of the Companies Act, 1956 has already been received proposing the name of Messrs S.R.Batlboi & Co., Chartered Accountants as Joint Auditors of the Company who have conveyed their eligibility and willingness for such appointment.

The Board of Directors accordingly recommend the resolution set out in Item no. 10 of the accompanying Notice for approval of the Members.

None of the Directors is, in any way, concerned or interested in this resolution except as a member of the Company.

Item No. 11:

Replacement of existing Articles of Association:

The existing Articles of Association of the Company need a thorough revision to reflect the several changes in the Companies Act, 1956, the Depositories Act, 1996, the SEBI Act, 1992, the Listing Agreements with the Stock Exchanges.

Instead of piecemeal corrections it is thought fit to replace the existing Articles of Association with a new set of Articles of Association to enable the Company to meet its changing needs.

The Board of Directors accordingly recommend the resolution set out in Item no. 11 of the accompanying Notice for approval of the Members.

None of the Directors is, in anyway, concerned or interested in this resolution except as a member of the Company.

The existing Articles of Association and the draft of the proposed Articles of Association are 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.

Item No. 12:

Qualified Institutional Placements:

The Company proposes to raise capital by way of issue of Equity Shares, and/or Fully Convertible Debentures/ and/ or Partly Convertible Debentures and/or any securities other than warrants, which are convertible into or exchangeable with Equity Shares at a later date as specified in the resolution to Qualified Institutional Buyers in accordance with the SEBI Guidelines pursuant to Chapter XIII-A of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Approval of the shareholders was obtained at the 22nd Annual General Meeting held on 14th September, 2007. However, due to prevailing market sentiments it was not possible to make any such placement and the said approval would lapse shortly. Approval of the shareholders is again being sought for issuing securities as stated in the resolution which may result in issuance of further Equity Shares of the Company in accordance with the terms and nature of the securities. The Board, in consultation with its Merchant Bankers and other advisors, will decide on the timing of the proposed issue and finalise the placement document which *inter alia* shall be placed on the website of Bombay Stock Exchange Limited and/or National Stock Exchange of India Limited. The pricing of the securities offered to Qualified Institutional Buyers pursuant to SEBI Guidelines for Qualified Institutions Placement shall not be less than 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 SEBI (Disclosure and Investor Protection) Guidelines, 2000.

The final pricing of one or more such placements of securities to Qualified Institutional Buyers shall be determined in consultation with the Merchant Bankers. However, the aggregate size of the proposed issue of securities shall not exceed 25% of the post issued paid-up capital of the Company

The Board of Directors accordingly recommend the resolution set out in Item no. 12 of the accompanying Notice for approval of the Members.

None of the Directors is, in anyway, concerned or interested in this resolution except as a member of the Company.

Item No. 13:

Inter-se transfer/ sale of shares of subsidiary companies:

The Company's business strategy is focused on delivering shareholder value through its diversified mix of businesses. The Company has formed several wholly owned subsidiary companies which in turn have formed several step down subsidiaries. The subsidiary company(ies), at the appropriate time and subject to commercial considerations, are intended be listed to unlock value for all the stakeholders.

As per the provisions of the Companies Act, 1956 and the Articles of Association of the Company, the Board of Directors of the Company has the authority to re-group the investment by way of *inter-se* transfer or sale of shares held by it in one or more subsidiary company(ies). However, as a matter of transparency and good corporate governance, the consent of the shareholders is sought to be obtained, should any re-grouping/ re-organization of shares of the subsidiary company(ies) take place at a future date.

The Board of Directors accordingly recommend the resolution set out in Item no. 13 of the accompanying Notice for approval of the Members.

None of the Directors is, in anyway, concerned or interested in this resolution except as a member of the Company and to the extent of their respective shareholding/ directorship in subsidiary company(ies).

By Order of the Board of Directors

Mumbai,
31st July, 2008.

A. Datta
Company Secretary