

NOTICE

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

Mortgage/Charge on Movable/Immovable Properties of the Company :

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

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and, any other applicable provisions of the Companies Act, 1956 subject to requisite approvals, consents from the Company's Bankers, Financial Institutions, Trustees to the Debenture holders and / or other Institutions /bodies, if and wherever necessary, to mortgage / charge / hypothecate or otherwise create an encumbrance, on such terms and conditions and in such form and manner, as it may think fit, whether as Interim or final security, on the whole or substantially the whole or substantially the whole of one or more of the Company's undertakings, including its movable and immovable properties, against ECB loans obtained/ to be obtained, together with interest thereon, at the respective rates agreed, additional/ further /compound interest in the event of default, commitment charges, premium (if any) on redemption, all other costs, charges and expenses and all other monies payable by the Company to Security Trustees for ECB Lenders/Developmental Financial Institutions (whether or not incorporated in India), in terms of the letter of sanction and/or Loan agreement(s) or any other deeds or documents as are entered into by the Company or any modification in respect of the said Loans.

RESOLVED FURTHER THAT the Board of Directors of the Company or an authorized committee thereof be and is hereby authorised to finalise the manner and method and all necessary agreements, deeds and documents and subsequent modifications thereto, for creating the aforesaid mortgage and/or charge etc. and to do all such acts, deeds, matters and things as may be necessary desirable or expedient for the purpose of giving effect to the resolution."

By order of Board
For Jain Irrigation Systems Ltd.

Sd/-

A. V. Ghodgaonkar
Company Secretary

Jalgaon, Thursday, 4th April, 2013



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

ITEM NO. 1 - Mortgage/Charge on select Immovable Properties/ Movable properties of the Company

The Company through the Board of Directors borrows from time to time and within the limits prescribed for by Shareholders, lastly in 20th AGM in 2007, other than working capital loans in the ordinary course of business.

To borrow from Term Lenders the Company has to create charge / mortgage on its immovable and movable properties, including the equipment attached to the property. Generally, the term lenders secure the borrowings of Company by first pari-passu charge on fixed assets of the Company and the working capital lenders generally seek a second charge on the fixed assets of the Company.

The resolution seeks the permission of Shareholders for creation of mortgage/charge/ encumbrance on assets/ undertakings as is required under the provisions of Section 293 (1) (a) of the Companies Act, 1956, and a possible disposal on invocation of the security by the lenders if any. Although, creation of such charge on assets of the Company does not by itself amount to "disposal" as is interpreted by various Courts, there is an alternative view which is prevalent in India, hence as a matter of abundant caution the approval of Shareholders is sought as per the prevailing the *Companies (Passing of Resolutions by Postal ballot) Rules, 2001*.

The Company has recently borrowed ECB worth \$75mn in October 2012 from IFC and Rabo Bank. However, now Company is seeking to prepay and substitute some of the ECB Loans (\$51 mn) raised, keeping the all in costs within ceilings prescribed by the RBI under FEMA regulations/ notifications, while improving the average maturity further, while at the same time borrowing an additional \$14 mn as ECB. The Company has to secure Lenders/Trustees as under (which includes prepayment/ replacement of existing ECB loans):

Financial facilities sanctioned

Sr. No	Name of Trustee/ Lender(s)	Nature of facility	Amount	Nature of Charge
1	IDBI Trusteeship Services Ltd (ECB Loan from International Finance Corporation and other eligible lenders, including Development Financial Institutions (DFI) like: Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. or FMO, Société de Promotion et de Participation pour la Coopération Économique or Proparco, Deutsche Investitions- und Entwicklungsgesellschaft mbH or DEG	ECB Loan	USD 89 million (eqv INR 4,831 mn)	<p>a) INTERIM SECURITY*</p> <p>1) Second charge by way of hypothecation/ mortgage on select movable/immovable properties at Bhavnagar and, Vadodara in Gujarat, at Chittoor and Bibinagar -Hyderabad in Andhra Pradesh, and at Jalgaon in Maharashtra; subservient to the charge (s) of International Finance Corporation (IFC), Washington for its existing ECB loans and</p> <p>2) Hypothecation of select movables at Jalgaon, Maharashtra valued at \$22.7 mn and select movables at Chittoor and Bibinagar-Hyderabad in Andhra Pradesh, Vadodara and Bhavnagar in Gujarat.</p> <p>b) FINAL SECURITY</p> <p>1) Mortgage/charge on select immovable Non-Agriculture Lands at Gut No. 215/1 and 220 admeasuring 2 Hectares 73 Acres. and movables all situate at village Bambhori, Tal. Dharangaon, Dist. Jalgaon and Gat No 139/26 at Jalgaon admeasuring 4 Hectares 05 Acres and Survey No. 216/17 situate a Bhavnagar admeasuring in 1.20 Acres.</p> <p>2) Hypothecation of movable assets/properties to be created out of the ECB proceeds and further secured by exclusive mortgage/charge on select immovable properties at Jalgaon to be created out of the ECB.</p>

* Additionally, the interim security also includes personal guarantee of certain whole time directors.

The Directors recommend the resolution for your approval.

None of the Directors of the Company are interested in the resolution placed before the meeting directly or indirectly.

By order of Board
For Jain Irrigation Systems Ltd.

Sd/-
A. V. Ghodgaonkar
Company Secretary

Jalgaon, Thursday, 4th April, 2013



(4)

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POSTAL BALLOT FORM

Serial No. :

- 1) Name(s) of Member(s) :
(including Joint-holders, if any)

- 2) Registered Address of the Sole /
First named Member :

- 3) Registered Folio No./
DP ID No.*/ Client ID No.* :
(*Applicable to investors holding
Shares in dematerialized form)

- 4) Number of Shares held : Ordinary Equity DVR

(on 29th March 2013)

- 5) I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated 4th April 2013 by sending my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate boxes below.

Item No.	Description	No. of Shares held		I/We assent to the Resolution		I/We dissent to the Resolution	
		Ordinary Equity	DVR Equity	Ordinary Equity	DVR Equity	Ordinary Equity	DVR Equity
1	Authority for charge by way of mortgage/ hypothecation of undertaking(s) of the Company u/s 293 (1) (a) of the Companies Act, 1956 in favour of specified lenders/ Trustee						

Place :

Date :

Signature of the Member



(1)

INSTRUCTIONS

- 1) A Member desiring to exercise his/her vote by Postal Ballot may complete this Postal Ballot form (no other form or photocopy thereof is permitted to be used for the purpose) and send it to the Scrutinizer at the address of the Company in the attached prepaid Business Reply self-addressed envelope attached. Postage will be borne and paid by the Company. Envelopes containing Postal Ballots, if deposited in Person at Registered Office of Company or if sent by courier at the expense of the Member, shall also be accepted.
- 2) The self-addressed envelopes bears the name of the Scrutinizer appointed by the Board of Directors/ Committee of the Company.
- 3) This form should be completed and signed by the Member. In case of joint shareholding, this form should be completed and signed [as per the specimen signature(s) registered with the Company / furnished by the Depositories] by the first named Member and in his/her absence, by the next named Member. Holders of Power of Attorney (POA) on behalf of Member may vote on the Postal Ballot mentioning the Registration No. of the POA or enclosing an attested copy of POA.
- 4) Unsigned, incomplete, improperly or incorrectly marked Postal Ballot forms will be summarily rejected.
- 5) The exercise of vote by Postal Ballot is not permitted through proxy. There will be only one Postal Ballot Form for every folio /client ID irrespective of the number of Joint Member(s).
- 6) Duly completed Postal Ballot forms should reach the Company not later than by the close of working hours on **May 09, 2013**. Postal Ballot forms received after this date will be strictly treated as if the reply from such Members has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before **May 09, 2013** providing sufficient time for postal transit.
- 7) In the case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot form should be accompanied by a certified true copy of the relevant Board Resolution /Authorisation.
- 8) Voting rights shall be reckoned in proportion to a Member's share of the Paid-Up Share Capital of the Company on the date of dispatch of the Notice or as per terms of issue for DVR Equity.
- 9) Members are requested not to send any other paper along with the Postal Ballot form in the enclosed self addressed postage prepaid Business Reply envelope, as such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
- 10) The Scrutinizer's decision on the validity of Postal Ballot shall be final. The result of voting on the resolution will be declared at the Registered Office of the Company on or before **May 13, 2013**. The result will thereafter be published in newspapers, for the information of the Members.

